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Social Media in Wood Products Marketing and Collecting of End User Driven Product Development Ideas

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Forest Products Marketing and Management

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Tiivistelmä — Referat — Abstract			
<p>The concept of social media includes a wide range of online, word-of-mouth forums including blogs, company sponsored discussion boards, chat rooms, consumer product or service ratings websites, and social networking sites. Social media is top of the agenda for many business executives today. Decision makers and consultants try to identify ways in which firms can make profitable use of applications such as YouTube, Facebook and Twitter. One of the main goals of an industrial company is to execute its new product development process in a way where new technological opportunities can be identified and commercialized before its competitors.</p> <p>In this study it was investigated how wood processing companies, log house builders and hardware stores currently exploit social media in their commercial efforts such as marketing and sales. Further it was also examined do wood processing companies, log house builders and hardware stores use social media in their new product development (NPD) process. The empirical part of the study was carried out by interviewing a small number of companies and conducting a desk research of the social media activity of a larger number of companies.</p> <p>Most of the companies studied were present in social media. The type and the intensity of social media presence varied depending on the type of the company. E.g. hardware stores used social media merely for marketing and sales related purposes whereas in wood processing companies the focus was on communication and PR. Besides the normal customer feedback systems there was no evidence that the companies of this study would actively use social media in collecting end user driven ideas for R&D purposes. Based on the theoretical background, framework of the study, desk research and company interviews a model for collecting feedback and product development ideas from end users is created. Furthermore some ideas for more effective usage of social media regarding the topic of the study are offered as well.</p>			
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<p>Sosiaalisen median käsite pitää sisällään suuren joukon erilaisia Internetissä toimivia foorumeita kuten blogeja, yritysten sponsoroimia keskustelualustoja, chatteja, kuluttajatuotteiden ja -palveluiden arviointisivustoja, sekä sosiaalisia verkostosivuja. Sosiaalinen media on polttavimpia aiheita tämän päivän yritysmaailmassa. Päätöksentekijät ja konsultit yrittävät löytää keinoja, joilla yritykset pystyisivät hyötymään taloudellisesti YouTuben, Facebookin ja Twitterin kaltaisista sivustoista. Yksi teollisen yrityksen päätavoitteista on, että uudet teknologiset mahdollisuudet pystytään tunnistamaan, hyödyntämään tuotekehitysprosessissa ja kaupallistamaan ennen kilpailijoita.</p> <p>Tässä tutkimuksessa selvitettiin kuinka puunjalostusyritykset, hirsitalorakentajat ja rautakaupat hyödyntävät sosiaalista mediaa erilaisissa kaupallisissa toiminnoissaan kuten markkinoinnissa ja myynnissä. Lisäksi tutkittiin hyödyntävätkö edellä mainittujen alojen yritykset sosiaalista mediaa tuotekehitysprosesseissaan. Tutkimuksen empiirinen osa suoritettiin tekemällä yrityshaastatteluja sekä tutkimalla ja arvioimalla yritysten aktiivisuutta sosiaalisessa mediassa erilaisten kaupallisten toimintojen suhteen.</p> <p>Suurin osa tutkituista yrityksistä toimi sosiaalisessa mediassa. Toimintatavat ja aktiivisuus vaihtelivat yrityksen ja liiketoiminnan luonteen mukaan. Esimerkiksi rautakaupat käyttivät sosiaalista mediaa lähinnä markkinointi- ja myyntitarkoituksiin kun taas puunjalostusyritykset käyttivät sitä lähinnä yritysviestintä- ja PR-tarkoituksissa. Tutkimuksessa ei löytynyt näyttöä siitä, että tutkitut yritykset hyödyntäisivät erityisesti sosiaalista mediaa tuotekehitysprosesseissaan. Tutkimuksen teoriaosion ja viitekehityksen sekä empiiristen tutkimusten perusteella hahmoteltiin tuotekehitysprosessimalli, jossa sosiaalisen median mahdollisuudet on huomioitu. Lisäksi esitetään ajatuksia kuinka sosiaalista mediaa voitaisiin nykyistä tehokkaammin hyödyntää tutkimuksen aihealueen puitteissa.</p>			
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List of Abbreviations

API: Application Programming Interface

B2B: Business to Business

B2C: Business to Consumer

CLT: Cross-Laminated Timber

CMO: The Chief Marketing Officer Council

DIY: Do It Yourself

EVA: Elinkeinoelämän Valtuuskunta

FMCG: Fast Moving Consumer Good

FP: Fundamental Premise

HUS: Hospital District of Helsinki and Uusimaa

HWDC 2012: Helsinki World Design Capital 2012

ICT: Information Communication Technology

IMC: Integrated Marketing Communication

NPD: New Product Development

SVP: Senior Vice President

Web: The World Wide Web

Web 1.0: An Early Stage of the World Wide Web

Web 2.0: A "New Version" of the World Wide Web

ZMOT: Zero Moment Of Truth

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1. Background of the Study

1.1 The Definition and Origin of Social Media

According to Mangold and Faulds (2009) the concept of social media includes a wide range of online, word-of-mouth forums including blogs, company sponsored discussion boards, chat rooms, consumer product or service ratings websites, and social networking sites. However, there seems to be confusion among managers and academic researchers alike as to what exactly should be included under this term and consequently it is difficult to define when and where social media appeared first. The Usenet, a worldwide discussion system that allowed Internet users to post public messages, can be regarded as one of the earliest forms of social media. It was created in the late 1970s by Duke University students Tom Truscott and Jim Ellis. (Kaplan & Haenlein, 2010). Today there is a rich and diverse ecology of social media sites, which vary in terms of their scope and functionality (Kietzmann et al., 2011).

1.2 The Finns in Social Media

Based on the Statistics of Finland (2010) data a bit over 40 percent of all the Finns aged 16 to 74 had joined in some of the social media networks like Facebook or Twitter by the spring 2010. Social networking services seem to be most popular among the youth and young adults. By the spring 2010 around 83 percent of 16 to 24 year-olds and about 76 percent of 25 to 34 year-olds were registered to some of social networks. Whereas among the older groups the interest in social media is still rather low. For example of 55 to 64 year-olds less than 20 percent were registered. In general, the number of registered women seems to be bit higher

than of registered men. However being a registered user does not necessarily mean active following or participation. For example, among the registered youth and young adults, only 44 percent use social media on a daily basis. What comes to the older groups the daily usage percentage varies between 2 and 17 percents. (Tilastokeskus, 2010).

1.3 How Finnish Companies Utilize Social Media

“The concept of social media is top of the agenda for many business executives today. Decision makers, as well as consultants, try to identify ways in which firms can make profitable use of applications such as Wikipedia, YouTube, Facebook, Second Life and Twitter” (Kaplan and Haenlein, 2010). Capgemini Consulting conducted a survey in March 2012 where they explored how the largest Finnish companies are involved in social media and how they use it in their marketing, sales, communications, customer service, recruitment and data sharing efforts. The study covered 49 companies and four social media channels: Facebook, LinkedIn, Twitter and YouTube. The companies studied were rated on the basis of their presence on the social media platforms as well as their activity levels within the six levels of the value chain that are listed above. The survey revealed that 96 percent of the investigated firms are somehow involved in at least one of the four channels. However, according to Emma Storbacka of Capgemini Consulting there is still room for improvement what comes to utilizing different channels. She also claims that companies have understood the importance of social media but they have not been able to build processes or systems to exploit it. (Capgemini, 2012).

Based on the Capgemini survey (2012), Facebook is the most preferred marketing channel as 67 percent of the companies investigated use it. LinkedIn proved to be even more popular as 96 percent of the companies have an account there but it is used less frequently and mainly for recruiting purposes. In general telecommunication, media and entertainment companies are widely present in different channels and they utilize social media most effectively and

variously, whereas energy, commodity and manufacturing companies are quite passive. However there are some exceptions e.g. of all companies UPM was the most active one on YouTube followed by Stora Enso being 7th. Further according Storbacka it is rather typical that social media related issues are regarded as belonging to the territory of marketing and communication departments. Consequently the utilization of social media is planned from the view point of these functions but still inadequately. (Capgemini, 2012).

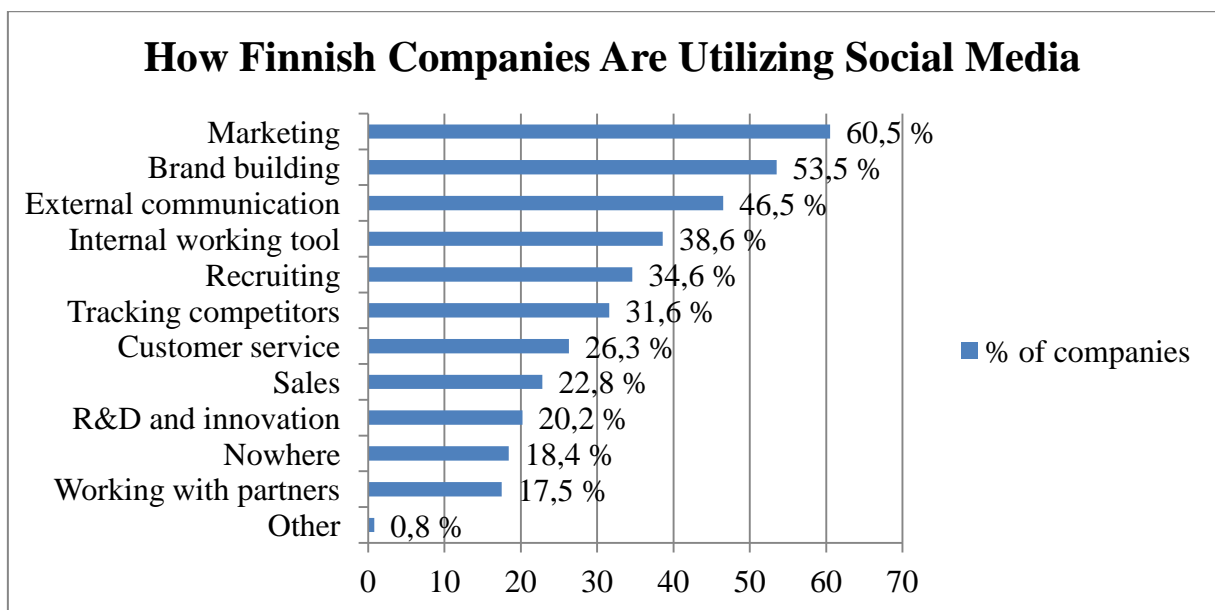


Figure 1. How Finnish Companies Are Utilizing Social Media. Source: EVA (2011).

Figure 1 (above) presents the functions where Finnish companies utilize social media at the moment. Based on the figure 1 around 60 % of the Finnish companies use social media in their marketing efforts. Further 53.5 % of the companies use social media platforms to build their brand and only about 20 % in research and development processes. Hannu Kauppinen of Capgemini consulting states that: “the majority of companies are clearly in the phase, where they use social media channels for enhancing the current operations” (Capgemini, 2012). Yet the challenge is how to identify the new opportunities that the digitalization of the business environment offers, though e.g. marketing function is often on the front edge in exploiting social media. (Capgemini, 2012).

1.4 The Opportunities of Social Media in the New Product Development Process

One of the main goals of an industrial company is to execute its new product development process in a way where new technological opportunities can be identified and commercialized before its competitors (Bruce and Cooper, 2000). The need for fast and lucrative new product development has never been greater. Product life cycles are short, competition is intense, and customers demand more than earlier. Companies that fail to innovate will face a dark future. However, winning with new products is not easy. Approximately 46 percent of the resources that companies apply to developing and launching new products go to projects that do not succeed. They either fail in the marketplace or never make it to market. (Product Development Institute Inc., 2012).

A Stage-Gate® model is a conceptual and operational road map which combines the commonly included activities and decision stages of the product development process in moving a new-product project from idea to launch. The process starts from the creation or discovery stage and ends after 5 gates to launch and post launch review. (Cooper, 2008; Cooper 2000; Cooper, 1990). One example of how social media is used in the creation of new concepts is Starbucks' "My Starbucks Idea" platform through which customers can submit new ideas for the company (Kaplan and Haenlein, 2010). Then "these ideas are subsequently voted on by other users, with the winners being considered for implementation by the company" (Kaplan and Haenlein, 2010).

2. Purpose and Implementation of the Study

2.1 Purpose of the Study

“Companies diligently establish Twitter feeds and branded Facebook pages” (McKinsey&Company, 2012). However the vast majority of executives do not know how to interact with consumers in social media to expand product and brand recognition, drive sales and profitability, or engender loyalty. (McKinsey&Company, 2012).

Further it is also rather difficult to see where and how to influence conversations, which take place across an ever-growing variety of platforms, and which may occur either with lightning speed or over the course of months. In addition there is no single measure for social media’s financial impact. Thus many companies find it difficult to justify devoting significant financial or human resources to an activity whose exact effects and benefits remains unclear. (McKinsey&Company, 2012).

Generally the literature around social media is rather scarce not to mention literature about social media in the wood products context. According to Mustonen (2009) the literature available mainly offers descriptions of different experiments or tips how to earn a lot of money. And what comes to utilizing social media in the new product development process, the area is also more or less uncovered. For example the Capgemini (2012) survey did not cover research and development function at all. On that basis it seems that so far e.g. the Finnish forestry giants have not yet been exploiting social media in their product development processes.

The purpose of this study is to investigate how wood processing companies, log house builders and hardware stores currently exploit social media in their commercial efforts such as marketing and sales. Further the aim is to find out do wood processing companies, log house

builders and hardware stores use social media in their new product development (NPD) process, especially in collecting end user driven ideas in the discovery or post-launch review stage of the NPD process? Based on the theoretical background, framework of the study, desk research and company interviews a model for collecting feedback and product development ideas from end users will be created. In addition some tips for more efficient social media usage in companies' marketing and sales activities will be given as well.

2.2 Implementation of the Study

In the beginning of this study the definition and origin of social media are described. Further the current status of social media usage and the utilization of social media in marketing and innovation process is briefly described and analyzed. Then the purpose and the motivation of the study are defined and justified. The literature part covers various perspectives of social media e.g. producing and planning compelling social media content, the possibilities of social media in the innovation process and the future prospects and trends of social media. The frame of reference was created on the basis of the literature survey.

The experimental part of this study is divided into two different reviews. In the first review a bunch of log house suppliers, hardware stores and wood processing companies are analyzed and evaluated regarding their presence and activities on social media platforms. This was conducted as a desk study by exploring companies' social media pages. The latter review covers several company interviews. The aim of the interviews was e.g. to find out what kind of communication strategy they have, how they utilize social media especially in marketing and how long they have been active in social media. Both the desk research and the interviews were carried out between September 2012 and January 2013. At the end of the study the main findings are analyzed and conclusions are made. In addition a model for social media usage in the innovation process of wood products was outlined. Further some ideas for more efficient

social media usage in companies' marketing and sales activities are given as well. The flow of the study is also illustrated in figure 2 (below).

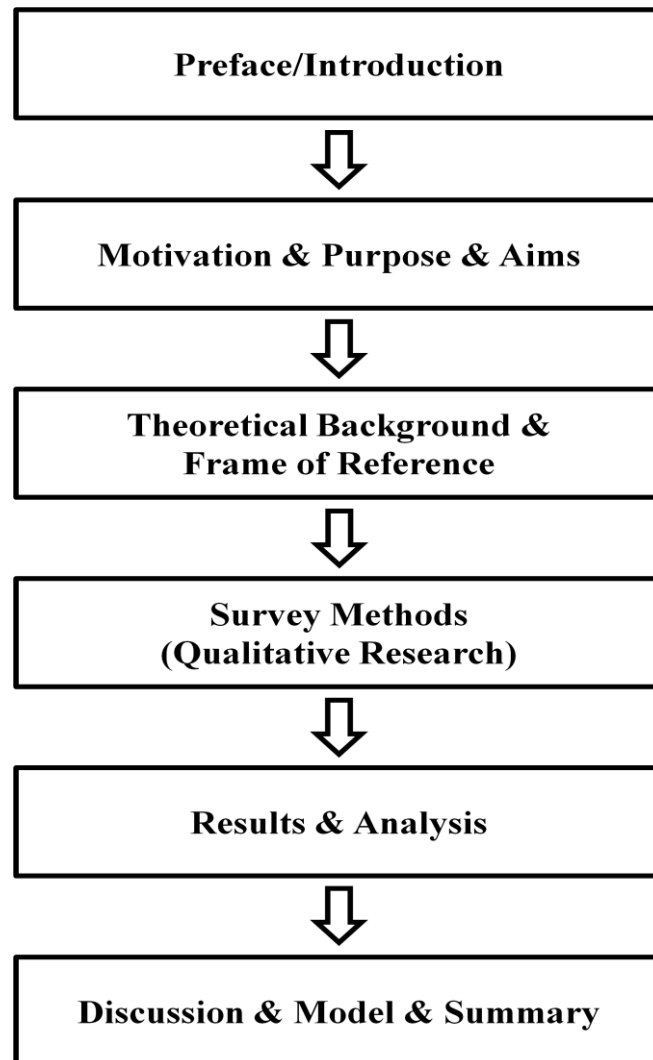


Figure 2. Research Process

3. Theoretical Background

3.1 Marketing and Marketing Communication

The American Marketing Association (2012) defines marketing as: “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”. Simply put marketing is the art and science of getting and keeping profitable and valuable customers which requires understanding about the needs and concerns of customers and ability to clearly explain how these problems can be solved. (Meyerson, 2010. 31).

When communicating with the target markets organizations follow the principle of Integrated Marketing Communications (IMC) in order to coordinate and control the various elements of the promotional mix - advertising, personal selling, public relations, publicity, direct marketing, and sales promotion - and to produce a unified customer-focused message (Boone & Kurtz, 2007).

According to Scott (2007) prior to the Web organizations had only two significant choices to attract attention. They could either buy expensive advertising or get third-party ink from the media. Then companies were able to control the information available about them through strategically placed press announcements and good public relations managers (Kaplan & Haenlein, 2010). For example “In 1960, Procter & Gamble (P&G) could reach 80 percent of US women with one 30-second Tide commercial aired simultaneously on only three TV networks: NBC, ABC and CBS” (Keller, 2009). However, the communication tools and strategies have changed significantly because of the social media phenomenon (Mangold & Faulds, 2009). Traditional approaches e.g. to branding that put emphasis on mass media techniques seem now questionable as today customers have access to massive amounts of information about brands, products and companies through different kind of networks (Keller, 2009).

According to Keller (2009) “the starting point in planning marketing communications is an audit of all the potential interactions that customers in the target market may have with the company and all its products and services”. Further according to him marketers also have to evaluate which experiences and impressions will have the most influence on customers at each stage of the buying process. “This understanding will help them allocate communications dollars more efficiently and design and implement the right communications programs” (Keller, 2009). In order to communicate effectively and efficiently today, companies have to go where the customers are, namely online. (Keller, 2009).

3.2 Service Dominant Logic

In supply chain and marketing management models the focus has been on goods and tangible materials but the focus is moving to more general models associated with partnerships, value networks, service provision, and value creation (Lusch et al., 2010). Salient parts of this movement are described in a model known as service-dominant logic which has been developed by Lusch et al (2010; 2008; 2006; 2004a). The original model that was presented in 2004 faced some critics but also acceptance by the academia and generated lively discussion among scientists. Later in 2008 they refined the model by modifying some terms, expressions and premises. (Vargo & Lusch, 2008).

“Service-dominant logic sees goods as tools or appliances in the customer’s service-provision supply chain” (Lusch et al., 2010). Goods derive their value through the service they provide. (Lusch et al., 2010). Vargo and Lusch (2008) describe in their service-dominant model 10 different fundamental premises (FP’s).

FP1: “Service is the fundamental basis of exchange”

FP2: “Indirect exchange masks the fundamental basis of exchange”

FP3: “Goods are a distribution mechanism for service provision”

FP4: “Operant resources are the fundamental source of competitive advantage”

FP5: “All economies are service economies”

FP6: “The customer is always a co-creator of value”

FP7: “The enterprise cannot deliver value, but only offer value propositions”

FP8: “A service-centered view is inherently customer oriented and relational”

FP9: “All social and economic actors are resource integrators”

FP10: “Value is always uniquely and phenomenologically determined by the beneficiary”

From the point of view of this study there are two fundamental premises that rise above all others, namely: FP6 - “The customer is always a co-creator of value” and FP1 - “Service is the fundamental basis of exchange”. Social media offers an excellent tool for companies to create value together with customers. As depicted in the chapter 2.1 one of the main purposes of this study is to investigate how social media is or could be used in co-creation of added value in R&D. What comes to marketing and sales of log houses, hard ware store items and wood products, service plays an important role as an opposite to FMCG (Fast Moving Consumer Goods) business. In this study the use of social media in providing product related service will be investigated as well.

3.3 Characteristics and Forms of Social Media

3.3.1 Social Media Platforms

As described in chapter one, social media includes a wide range of online, word-of-mouth forums including blogs, company sponsored discussion boards, chat rooms, consumer product or service ratings websites, and social networking sites (Mangold and Faulds, 2009). Whereas, Kaplan and Haenlein (2010) define social media as a group of Internet-based applications, which are built on the ideological and technological foundations of Web 2.0, allowing the creation and exchange of User Generated Content. In the book of Mitch Meyerson (2010. 7, 14) social media is described as a giant cocktail party and a strange, mystifying and often counterintuitive space. Kaplan and Haenlein (2010) also claim that the current trend toward social media can be seen as an evolution back to the Internet's roots, as the Web is retransforming to a platform where users can exchange information. In Web 1.0 there were only few content creators and the vast majority of users only act as consumers of content, while anyone can be content creator in Web 2.0 (Cormode & Krishnamurthy, 2008).

There are several social media platforms but maybe the most popular sites among social media users are Facebook, Twitter, YouTube, LinkedIn and different kind of blogs. Facebook was founded in February 2004 by four Harvard students: Mark Zuckerberg, Dustin Moskovitz, Chris Hughes and Eduardo Saverin. For the first two years, it was only available for college students. Then, gradually, Facebook opened up its API (application programming interface) to third-party application developers and allowed others to join in. In eight years Facebook has become the second most trafficked website in the world, second only to Google. (Meyerson, 2010. 182). By September 2012 Facebook had already reached the limit of one billion active users (YLE, 4.10.3012).

Twitter was created in March 2006 by Jack Dorsey, Evan Williams and Biz Stone (Biography, 2012). The company defines itself as a real time information network that connects the user to the latest stories, ideas, opinions and news about what the user finds

interesting. At the heart of Twitter are small bursts of information called Tweets which are 140 characters long. (Twitter, 2012). In 2012 Twitter has more than 500 million users around the world (Mediabistro, 2012) who generate 340 million Tweets daily (Twitter, 2012).

YouTube is a site where people can share their videos. It was founded in February 2005. Today it is owned by Google and it is the most popular online video destination and the second largest search engine, enabling anyone to upload and share user-generated video content for the masses. (Meyerson, 2010. 229-230).

LinkedIn was launched in May 2003 by Reid Hoffman, Allen Blue, Konstantin Guericke, Eric Ly and Jean-Luc Vaillant. It is a network where professionals can get reconnected with colleagues, find new job or business opportunities and get advices from the experts. In August 2012 it had more than 175 million users in over 200 countries. During 2011 LinkedIn members did nearly 4.2 billion professionally-oriented searches on the platform. (LinkedIn, 2012).

A blog is a website that is built on web-based platform that enable the author/owner to update the content without a web master (Meyerson, 2010. 166-167). For example Jonathan Schwartz, the CEO of Sun Microsystems, maintains a personal blog to improve the transparency of his company (Kaplan and Haenlein, 2010). In contrast to traditional static websites, a blog is a dynamic site that encourages visitors to interact with author through commenting. A blog is a rather old invention but became a popular marketing tool quite recently after marketers discovered easy-to-use blogging platforms like Wordpress. (Meyerson, 2010. 166-167).

3.3.2 Possibilities and Pitfalls of Social Media

Social media has become a major factor in influencing various aspects of consumer behaviour including awareness, information gathering, opinions, attitudes, purchase behaviour, and post-purchase communication and evaluation (Mangold & Faulds, 2009). Today's customers and future prospects read blogs, Google their purchases, query followers on Twitter or friends on Facebook. People are accustomed to educating themselves by researching purchases online before they make them. (Meyerson, 2010. 50) According to a Forrester Research survey from 2007, 90 percent of buying decisions start on the Web (Meyerson, 2010). However, the popular business press and academic literature still offers marketing managers very little guidance on how to incorporate social media into company's IMC strategy (Mangold and Faulds, 2009).

Mangold and Faulds (2009) states that social media enables: 1) companies to talk to their customers and 2) customers to talk to each other. In addition to these two dimensions, social media enables customers to talk to companies as well. The first role of social media is consistent with the use of traditional IMC tools whereas the second promotion-related role of social media is unique (Mangold & Faulds, 2009). Based on the conventional marketing wisdom a dissatisfied customer tells ten people. However, in the new age of social media, people have tools to tell 10 million consumers virtually overnight. This second role of social media can be seen as an extension of traditional word-of-mouth communication. (Gillin, 2007). On the other hand the possibility to post complaints right away through social media offers companies a unique opportunity to gain authentic insight into the problems that customers are facing when using their product or service (Qualman, 2009). These comments are easy to find e.g. because of tags and tagging. Tags are non-structural and labeled keywords that are linked to tweets, blog topics and posts. (socialmediatoday, 2011). However, in order to be able to monitor and track discussions taking place in various social media platforms, some tools are needed as well. For example Hanna-Maria Lifländer of M-Brain Insight Ltd said that they are using a tool called Radian6. With the help of this tool they skim through postings made of their customers on daily basis. (Lifländer, 2012). So in practice

organizations simply need to search for their company's name and then read through the resulting comments and pages for negative or positive mentions of their brand. (Qualman, 2009).

According to Mangold and Faulds (2009) in the new communication paradigm marketing managers should recognize the power and critical nature of the discussions being carried on by consumers using social media. Further they state that people are more likely to talk to others about products when they know a lot about them or when those products support their desired self-image, or the way they want others to see them (Mangold & Faulds, 2009).

3.3.3 Examples of the Power of Social Media

In hopes to become the President of the United States, American politicians spend millions of dollars on commercial advertisement campaigns. Four years ago Barack Obama, however concentrated his resources and marketing efforts on social media by creating Twitter and Facebook accounts. This was done because his campaign had very little money when it started out and social media was considered as an inexpensive way to reach and interact with voters. As a result of the successful campaign, Obama was elected as the 44th president (White House, 2012). In addition, the 2008 election had the highest voter turnout since 1908 and the highest youth participation in history. (Qualman, 2009).

In the 2011 Arab Spring protests, social media played an important role in the rapid disintegration of Tunisian and Egyptian regimes and in mobilization of protest in Bahrain and Syria. Some experts claim that these regimes would have fallen sooner or later without social media because the sociopolitical gap between the small ruling elite and the others had long ago reached critical levels. (Stepanova, 2011). "However, the fact that the crisis occurred sooner rather than later, in direct follow-up to protests in Tunisia, was largely due to the initial mobilizing effects of ICT and social media networks" (Stepanova, 2011).

In December 2008 Burger King created and carried out a “Whopper Sacrifice” campaign on Facebook. They developed an application which gave users a free Whopper sandwich for every 10 friends they deleted from their Facebook network. As a result over 230 thousand friends were sacrificed in exchange for free burgers. (Kaplan and Haenlein, 2010). At the same year a Canadian musician, Dave Carroll, recorded a music video about his bad experience on United Airlines flight and posted it on YouTube. In a short period of time it was seen by millions of people causing unwanted negative publicity to United Airlines. (Kietzmaan et al., 2011).

Best Buy Inc. created an online community forum where consumers can post questions and get answers from other consumers or Best Buy employees. In 2009, 2.5 million people visited Best Buy’s online community. They viewed more than 80 million messages and posted almost 80,000 times. Only 5 percent of consumers’ questions had to be answered by Best Buy personnel, the rest were answered by the community. As a result, complaints to Best Buy were reduced by 20 percent. Furthermore Best Buy’s estimated that its social media activities have saved it five million US dollars. (Acker et al., 2011).

Computer manufacturer Dell devised an online marketing program called “Dell Swarm” that applied group buy logic: “the more people join a “swarm” through invitations over social networks, the lower the price for the entire swarm” (Acker et al., 2011). In hopes to reach people and engage potential buyers Dell turned to Twitter. As a result of the campaign they sold out the inventories allotted to the campaign their revenues increased 6.5 million US dollars. In addition to Dells brand gained positive publicity as “more than 200 blogs and 500 tweets applauded the program”. (Acker et al., 2011).

On 14th of October in 2012 Austrian base-jumper and test pilot Felix Baumgartner made a freefall jump in cooperation with Red Bull from 39 kilometers towards earth (redbullstratos, 2013). According YLE (15.10.2012) over 7.3 million people from all over the world followed the live stream from YouTube. Furthermore based on the data available on Red Bull’s

YouTube site over 30 million people have watched the highlights clip made from the supersonic freefall jump.

3.3.4 Future Prospects and Trends

Consumers are turning away from the traditional sources of advertising: radio, television, magazines, and newspapers. They also consistently demand more control over their media consumption and require on-demand and immediate access to information at their convenience (Rashtchy et al., 2007; Vollmer & Precourt, 2008). As traditional media is not anymore considered as an adequate source of information, consumers are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions (Lempert, 2006; Vollmer & Precourt, 2008). Mangold and Faulds (2009) points out that, marketing managers must accept the reality that a vast amount of information about their products and services is being communicated by individual consumers to other consumers via social media forums. They add that consumers respond to this information in ways that directly influence all aspects of consumer behaviour, from information acquisition to post-purchase expressions of satisfaction and dissatisfaction.

Meyerson (2010. 100) states that social media is definitely here to stay because it has integrated the age-old art of forming relationships with technology. Based on Pew Research Center's (2008) survey mobile devices will be the primary Internet connection tool for most people in the world by 2020. According to the International Telecommunication Union's (2012) data, the growth of smart phone broadband subscriptions have already overtaken the growth of fixed lines. Today the 3G and 4G services can be accessed via mobile phones already in 160 countries, while five years ago only in 80 countries (ITU, 2012). Further according Pew Research Center by making social media applications mobile, social media is likely to tap a currently unexploited base of new users (Kaplan & Haenlein, 2010). For example of one billion active Facebook users, 600 million use Facebook via their mobile

phones (YLE, 4.10.2012). However it is good to remember that most people use the web very differently when they are on their phone compared to laptop because of the smaller screen and keyboard, and reduced computing power (Meyerson, 2010. 278).

Online advertising is on the rise. According to a report in *Helsingin Sanomat* on the 2nd of July in 2012, over 370 billion Euros were spent on advertising worldwide in 2011 and of all advertising already 17 percents took place online. The CEO of Microsoft, Steve Ballmer, predicted in *Wall Street Journal's* interview (WSJ, 4.2.2008) that offline advertising will all be online within 10 years. Though, online advertising is not always efficient. According to *Bloomberg News* (16.5.2012) General Motors would no longer plan to advertise on Facebook. Analyst, Carlos Kirjner, from Sanford C. Bernstein & Co. said in Bloomberg's interview that "if auto ads, generally among the most effective online promotions, fail on Facebook, then major advertisers including AT&T Inc., Procter & Gamble Co. and American Express Co. may follow GM's lead and curb spending on the site". Debra Aho Williamson of EMarketer Inc., states that companies are struggling to measure the effectiveness of paid ads on Facebook because it is not as easy to track as a 30- second spot on television (*Bloomeber News*, 16.5.2012). However, General Motors is not about to leave Facebook for good. They will anyway continue using Facebook through normal profile pages. (YLE, 16.5.2012).

In the realm of social media, astroturfing, is a new trend which has gained ground among companies and organizations around the world. According to *Laitos* online magazine's article (12.09.2012) the term means a situation where e.g. an advertiser or a political group creates fake online identities in order to strengthen their message or then as a return of positive social media coverage pays money to individuals. Especially companies that operate in the consumer markets have been forerunners in astroturfing. In Finland the astroturfing phenomenon is so new that it does not even have a counter term in Finnish. Recently the Hospital District of Helsinki and Uusimaa (HUS) were caught using a fake individual to defend their new IT-project. (Laitos, 2012). What comes to regulation and legality astroturfing exposes companies and organizations to a risk because in theory it is illegal but almost impossible to control (Text 100, 2011).

On 30th of October 2012 YLE news reported that Facebook has recently introduced paid status updates in Finland. In practice this means that by paying for own status updates one will get more visibility. Earlier all status updates were visible for those who had been following e.g. company pages on Facebook but now they cover only 15-20 percent of fans. Further according to YLE some parties have already left Facebook because of this change and started using Google+ or Twitter.

3.4 Strategy and Content Creation

3.4.1 Aspects for Creating Social Media Marketing Strategies

“A brand is no longer what the company says it is - it is what their customer’s say it is” (Meyerson, 2010. 5). However companies still need to influence their brand. It can be done by encouraging people associated with a brand, and forging direct relationships that are built on action, experience and caring (Meyerson, 2010. 5).

Social media lowers the barrier between companies and consumers by allowing firms to contact end users directly and timely at relatively low cost and higher levels of efficiency than can be achieved with more traditional communication tools (Kaplan and Haenlein, 2010). On that basis Kaplan and Haenlein (2010) argue that social media is not only relevant for large multinational firms, but also for small and medium sized companies.

According to Meyerson’s (2010. 34) “social media marketing is not about quantity, it is about quality. It is not about transactions or orders or long lists of followers. Rather, it begins with a sincere desire to grow and nourish genuine relationships and doing whatever it takes to ensure they happen”. And the rules for building relationships online are not that different than the rules for building relationships elsewhere. One only needs to get involved, listen empathetically, and look to give more than get. As a return one will get lasting, loyal

relationships that can make a difference to one's business. (Meyerson, 2010. 7). Ulrika Romantchuck of Fazer Group presents a similar kind of view in EVA's (2011) report where she claims that social media is not a marketing channel but rather a dialogue platform where companies have to operate with the rules of consumers.

Meyerson (2010. 32-33) also states that company's prospects will choose to become its customers based on: 1) their experiences with the company, 2) company's product or service benefits, 3) company's trustworthiness and reputation, 4) the value they receive, 5) easy, safe and secure transactions, 6) how well the company articulates their most pressing concerns.

Further according to Meyerson (2010. 39) in order to fully participate in social media communities companies have to answer questions, join in conversations, respond to comments, upload videos, audios, and photos, and more. If a company wants to develop a relationship with someone it must take the lead, be active and engage in discussions with the customers (Kaplan and Haenlein, 2010). Kaplan and Haenlein (2010) add further that social media is all about sharing and interaction.

One of the biggest mistakes new social media users make is that they try to take old-time marketing methods into the new social media world. Many of the new users see social media as a place to market with sales letters and traditional "build your list" strategies. And there is a problem – that does not fit in social media. (Meyerson, 2010. 108). As Kaplan and Haenlein (2010) describe the essence of social media: it is less about explaining why your product is better than anyone else's than it is about engaging others in open and active conversation. According to Meyerson's (2010. 121) book the reason why companies are not able to turn their social media efforts into money is that 1) companies are selling first, not developing relationships, and 2) companies do not have correct measurement and tracking systems in place to manage and improve their social media marketing. On the contrary using social media as an engaging, brand-building tool and by putting the conversation with the customer first, business growth and financial success will naturally follow. (Meyerson, 2010. 122).

Based on Nielsen Global Online Consumer Survey (2009), 90 percent of Internet consumers trust recommendations from friends and 70 percent trust consumer opinions posted online.

According to Foux (2006) social media is perceived by consumers as a more trustworthy source of information regarding products and services than corporate-sponsored communications transmitted via the traditional elements of the promotion mix.

Everything a company does online should reflect its brand. A firm needs to know exactly what emotions it wants people to experience when conversing with the company. When the customers think of the company, they should have a rush of emotions they remember based on their last experience with the company and its representatives. (Meyerson, 2010. 205). Glynn Mangold and Faulds (2009) emphasize the power of stories because usually they are memorable and the more memorable they are, the more likely they are to be repeated. Fazer's Online Dialogue Director, Kati Sulin, describes in her book "100 days online dialogue at Fazer" examples on Zero Moment of Truth (ZMOT) and how a brand should be connected to online material by using stories. For example if there is a green frog on an advertisement it might be the only thing a consumer remembers of it. (Sulin, 2012). Further, Sulin (2012) states that, thus a brand has to be awake and offer content for the moment where the consumer acts and googles' the green frog.

Mangold and Faulds (2009) states that consumers like to network with people, who have interests and desires that are similar to their own. According to Meyerson (2010. 88) communities are formed and thrive around the interests of the community itself, meaning that the people who join and participate in online communities are those who want more out of their product or service experience.

3.4.2 Building Compelling Social Media Content

Meyerson (2010. 171-172) states that content is the king because it is where companies engage people, reveal their expertise and how they build their presence on the web. Further he claims that the best way to build credibility, manage online reputation and brand, get found, and turn readers into clients is to consistently write fresh, educating, entertaining and engaging content two or three times a week. People go online for two reasons: either to find solutions to their problems or to be entertained. (Meyerson, 2010. 172).

According to Meyerson (2010. 53-56) good and compelling content has an objective, is trustworthy and engaging, allows for interaction or dialog, speaks the language of customers and meets the audience where they are, is well-executed, experiments a little, is search-optimized and starts a conversation.

When building social media strategies companies have to elaborate what are the short- and long-term business goals and how will social media marketing be used to achieve them? In addition there are a handful of questions to think about. What resources the company have available? Where is the target audience most likely to hang out in the Internet? (Meyerson, 2010). Or what the audience would like to hear and what they would like to talk about? What they might find interesting, enjoyable, and valuable? (Kaplan and Haenlein, 2010). However social media is a very active and fast-moving domain and therefore what may be up-to-date today could have disappeared from the virtual landscape tomorrow. Further Kaplan and Haenlein (2010) explain that due to the nature of the social media and the Internet it is important to have a set of guidelines that can be applied to any form of social media.

According to Mangold and Faulds (2009), when people are engaged with a product, service or idea they are more likely to share their thoughts through both word of mouth and social media. Although this engagement may also come naturally for supporters of causes, political candidates, and trendy new technological products the engagement can also be creatively stimulated for products and services which by their nature generate less psychological

involvement of customers. The opportunity to submit feedback makes consumers feel more engaged with products and organizations. (Mangold & Faulds, 2009).

Figure 3 (below) depicts why Facebook users “like” brands and what marketers think the “likes” mean. Nearly 60 percent of marketers believe that Facebook users like their brand because of the content they offer on their Facebook page. However, only 30 percent of Facebook users think the same way. Based on the figure 3 many Facebook users (46 %) like brand pages in hopes to get rewards or incentives while only 33 percents of marketers consider that as a major reason for consumers interest in their Facebook page. At the same time even larger number of Facebook users, consider themselves as a loyal customer (49 %) and that is why they start following brands on Facebook. However, only 24 percents of the marketers recognize this mindset.

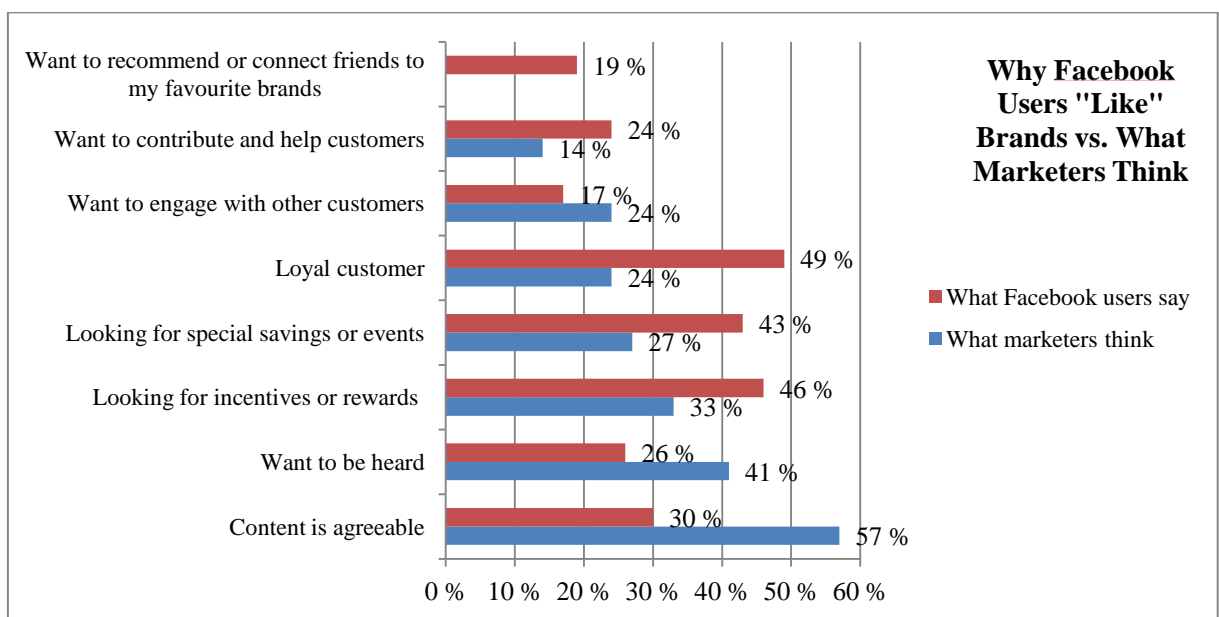


Figure 3. Why Facebook Users “Like” Brands vs. What Marketers Think the “Likes” Mean, Source: CMO Council (2011).

Forbes Magazine (23.01.2012) brings up CMO's survey results (figure 3) on their article "The Wide Divide Between Brands And Consumers In Social Media" and comments the key findings as follows: "Social customers not only want but expect to be rewarded for connecting with brands online and there are a variety of ways to go about satisfying them... Socially savvy brands will reward social customers with greater status and privileges not just for their likes, but for a full range of beneficial behaviors—from voting on product ideas to blogging about a technical solution."

3.5 Social Media in Collecting End User Driven Development Ideas

3.5.1 Social Media in the Front End of the Innovation Process

Ulrich and Eppinger (2000) define the term product development as follows: different phases and measures companies go through when creating, planning and commercializing a new product. The Stage-Gate® model (figure 4) combines these commonly included activities and decision stages of the product development process in moving a new-product project from idea to launch. In the State-Gate® model the process is divided into distinct stages which are separated by various management decision gates. Prior to obtaining management approval and proceeding to the next step a prescribed set of cross-functional activities must be completed in each stage. (Cooper, 2008; Cooper 2000; Cooper, 1990). Around 70 to 85 percent of leading American companies use State-Gate® model to drive new products to market. (Product Development Institute Inc., 2012).

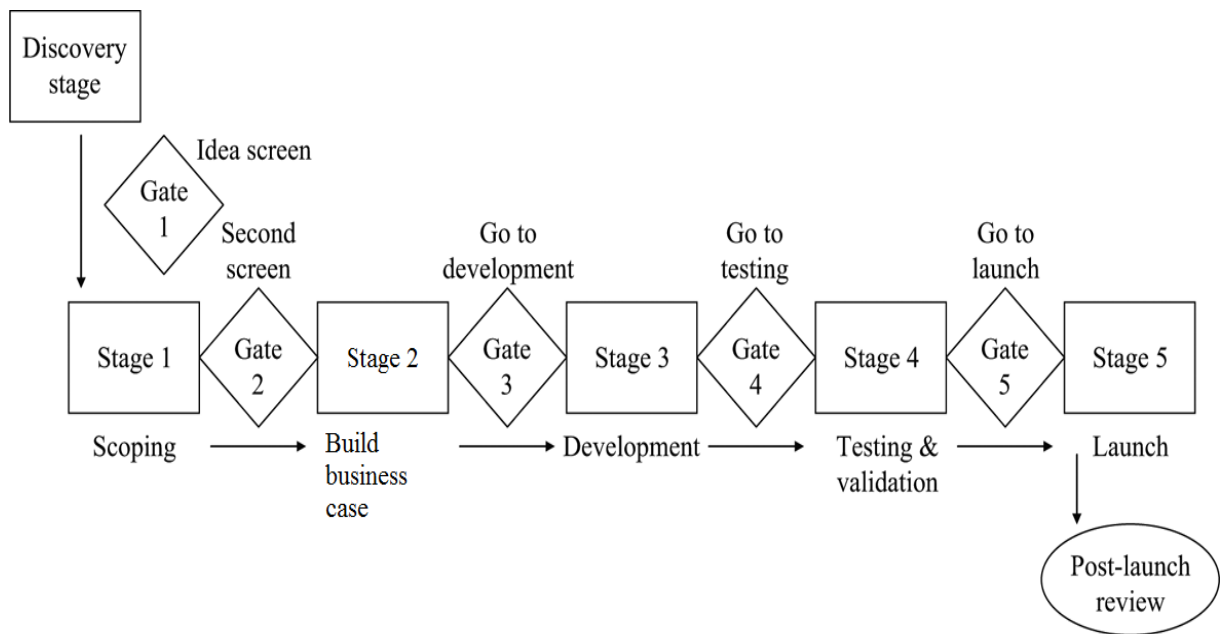


Figure 4. The State-Gate® Model. Source: Cooper (2008)

The process starts from the creation or discovery stage and ends after 5 gates to launch and post launch review. In the course of the discovery stage it is common that companies apply idea generation activities such as brainstorming. Sometimes in searching for new product ideas it might be beneficial for an organization to extend the scope of search. Communicating with customers in order to understand how and why they use different products can generate great strides in idea generation. Specifically, communicating with lead users can provide great feedback to the developers, as these customers most likely feel passionate about the product. In addition to, it may be helpful to communicate with suppliers. By trying to understand the problems of the customers or businesses in which their materials are used, developers may be able to act upon previously untapped possibilities. (Cooper, 2008; Cooper, 2000; Cooper, 1990). However, the ideas do not have to be totally new. According to Oded Shenkar nearly 98% of the value generated by innovations is captured not by the innovators but by the overlooked and despised copycats. Further he states that good imitators do not wait. They

actively search for ideas worth copying and often they look far from their industry or home country. (Harvard Business Review, April 2010).

Crowdsourcing is a term for a Web-based business model where companies and organizations harness the creative solutions of a distributed network of individuals. In practice this means that a company posts a problem online, and then a vast number of individuals offer solutions to the problem. Eventually the winning ideas are awarded some form of a bounty, and the company mass-produces the idea for its own gain (Brabham, 2008a). According to Brabham (2010) “the crowd’s strength lies in its composite or aggregate of ideas, rather than in collaboration of ideas” and Surowiecki (2004) states that: “under right circumstances, groups are remarkably intelligent, and are often smarter than the smartest people in them”. “My Starbucks Idea” platform described by Kaplan and Haenlein (2010) is one example of crowdsourcing.

3.5.2 End User Driven Product Development

In order to be successful in the ever changing business environment and increasing competition many organizations have been striving to change their business culture for more market-based and user friendly (Holt, 2002). Companies can roughly be divided either into technology-orientated or market-orientated. Those who recognize the meaning and central role of end-users in the new product development process are market-oriented, whereas the companies who focus on utilizing newest technology in their processes and products are technology-oriented (Holt, 2002). However according to Stendahl (2009) in the contemporary business models the combination of these approaches, rather than either one of them solely, is highlighted.

Even though the interest in exploiting end-users in the planning of new products is on the rise, there are still major gaps what comes to acknowledging customer needs (Holt, 2002). Cagan

and Vogel (2003) discovered that especially large corporations neglect customer needs in their development processes. Their studies have also shown that succeeding in new product development in the best possible way requires e.g. ability to discover new possibilities, skills to understand customer needs in a profound way and conjoining the technical planning, industrial design and marketing functions (Cagan and Vogel, 2003).

3.5.3 Business Models and Product Development in Wood Products Context

According to Juslin and Hansen (2003) the Nordic wood industry has traditionally been production and technology-oriented. Companies have used agents and other middlemen in their marketing processes, which has resulted in poor communication between producers, further-processing industry and end-users (Hansen et al., 2006; Hansen & Juslin, 2005). But now, according to Stendahl (2009), the role of middlemen is in a state of change. Value-creation and direct marketing channels have been gaining ground (Hugosson & McCluskey, 2008) as the tightened global competition have increased the pressure to find new ways to compete (Stendahl, 2009).

In the construction industry the actors of the value chain have historically been trying to maximize only their own value. This has negatively affected to the efficiency and profitability of the whole value chain. (Nord, 2005). However, recently like the wood industry also the construction industry has noticed the benefits of cooperation and now strives for common good and maximization of the aggregated value (Stendahl, 2009).

Stendahl (2009) states that construction industry's increased focus on eco-effective construction methods and materials has also sharpened demands on wood industry as a supplier. Now they are required to take larger responsibility e.g. for product development (Nord, 2008). What comes to the retail industry, recent trends are showing a wide product range, competitive pricing, and product design and user-friendliness (Stendahl, 2009).

Consequently, wood product suppliers are faced with demands for large volumes and a wide range of ready-to-use products (Henningsson, 2005).

According to Hansen et al. (2006) on new product development, very little research specific to the wood industry exists which might be due to lack of a structured product development process (Hansen, 2006). Stendahl (2009) states that recent studies have found that the forest sector innovation system focuses mainly on process innovation and that frameworks and policies to promote cross-sectional interaction could be improved. Based on Crespell et al. (2006) study companies who employ a structured product development process are usually more innovative. “Product development is often discussed from a strategic perspective by industry experts. A common view is that product development is necessary, and companies are advised to focus their efforts on it. Sometimes advice is also given on what type of products should be developed”. (Stendahl, 2009). However, Nord (2005) states that no matter the type of product development process, strategies, organizational forms and structures wood industry constitute barriers to such development. According to Korhonen and Niemelä (2003) conservative customers might be another challenge. “Running a product development project in the wood industry can therefore be assumed to be far from a straightforward process” (Stendahl, 2009).

3.6 Frame of Reference

The frame of reference of this study is illustrated in figure 5 (below). In the figure “the design of the study” (chapter 2.1) has been incorporated into a modified “Brand Resonance Model” of Keller (2009). In the modified model (figure 6) Keller’s terms and thinking have been replaced with ideas represented by Lusch and Vargo (2008). The core message in Lusch’s and Vargo’s ideology is that all business transactions are principally transaction of services. Besides extending the meaning of product or brand into service, Lusch and Vargo have re-named the commonly used terms company and consumer/customer to “operant” and

“beneficiary”. Keller’s (2009) original “Brand Resonance Model” describes the interactions between company, brand and customers. As depicted earlier this study explores how social media is used to influence the company-brand/service-customer interactions. The focus is on how wood processing companies, log house builders and hardware stores are exploiting social media in their commercial efforts. Further the aim is to find out how social media is or could be used in their new product development (NPD) process, especially in collecting end user driven ideas in the discovery or post-launch review stage of the NPD process.

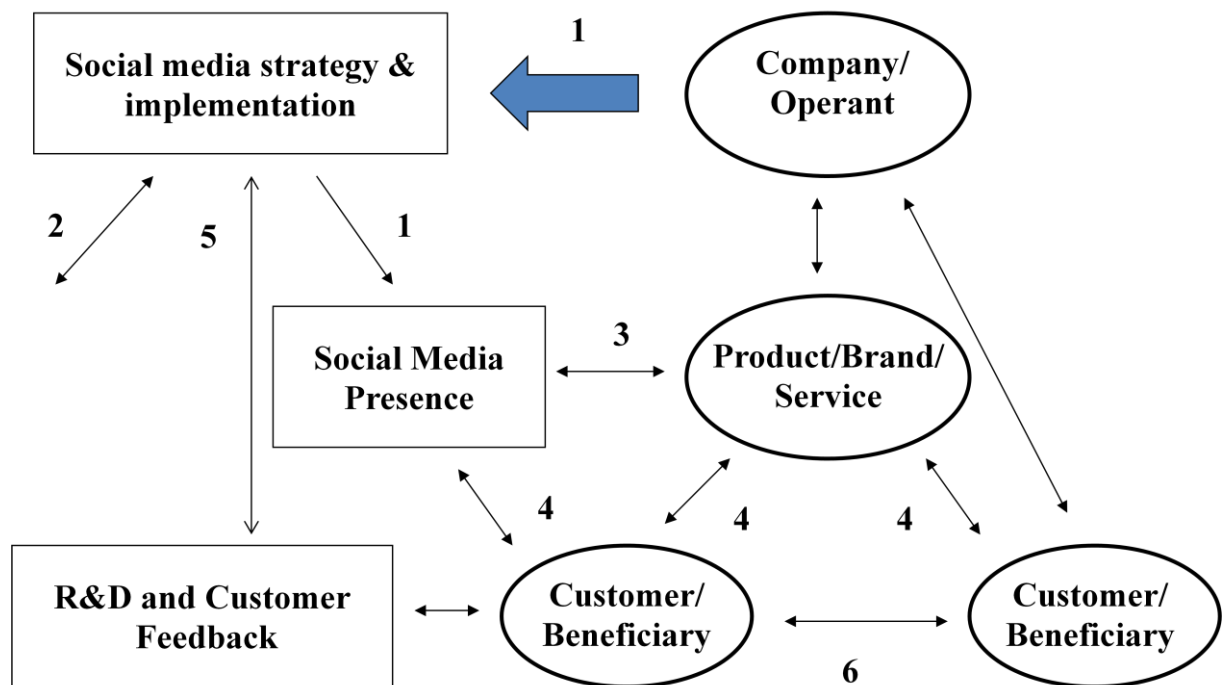


Figure 5. Frame of Reference: Social Media Interaction Diagram

In order to find out what kind of strategic approaches wood processing companies, retailers and log house manufacturers have regarding to social media and how they are implementing the strategy (arrow 1 in figure 5) several interviews were made. Reasoning, like anticipated benefits, expectations and pitfalls, behind the chosen strategy were also investigated (arrow 2 in figure 5). In addition companies were also studied by analyzing their presence in different

social media platforms. This was done without knowing if there was some thoroughly planned social media strategy behind the presence. The presence in social media contributes to brand value (arrow 3 in figure 5) or affect customers directly or through service (arrow 4 in figure 5). Typical examples are a passive presence of a company on Facebook or an active presence of the company with some engaging way in many social media platforms.

From social media's point of view "Company – Service" interaction would mean e.g. that, when a company wants to live up to its service promises also its social media activities should be in a line with the company's service promise. In this study the Company - Service interaction is not investigated.

The exploitation of social media in developing products or services (R&D) is an interesting option. Companies were asked in the interviews whether or not they are using this opportunity. Indications of utilizing social media for R & D purposes e.g. in the simplest case through some feedback system or through a sophisticated co-creation system, were one of the key interests of the desk study part (arrow 5 in figure 5).

There are interesting cases such as the Dell-case (Acker et al., 2011) where the company has been able to create a solution to support customers' interactions in a way which contributes added value for the company. What comes to the companies investigated in this study, an experience sharing application for terrace constructors would serve as a relevant example. The arrow 6 in figure 5 presents this interaction and indications of the utilization of this kind opportunity were investigated in the study, as well.

In Keller's (2009) "brand resonance model" the key point of consumer-brand (Beneficiary – Service) relationship is quantitative: how much and how often do the consumers use the brand, and how strongly do they feel attached to it. Having measurable information about the influence of social media activities on the consumer-brand relationship is getting more important (Kauppalehti, 12th November 2012). However, this dimension is out of the scope of this study.

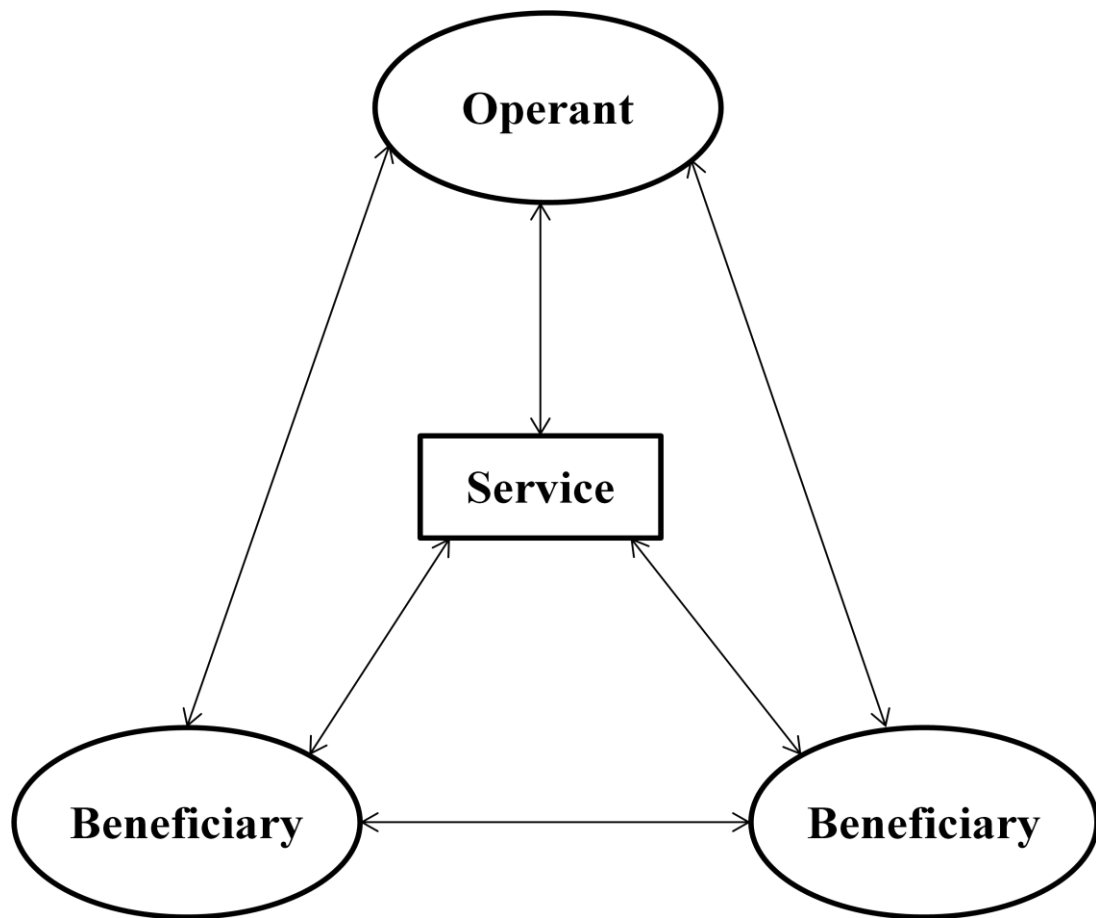


Figure 6. Modified Brand Resonance Model (Source: Keller (2009), Lusch and Fargo (2008))

4. Data and Methods of the Study

4.1 Introduction

As described in the chapter 2.1 the purpose of this study is to investigate how wood processing companies (manufacturers), log house builders (constructors) and hardware stores (retailers) currently exploit social media in their commercial efforts such as marketing, and do wood processing companies, log house builders and hardware stores use social media in their new product development (NPD) process especially in collecting end user driven ideas in the discovery or post-launch review stage of the NPD process. Based on these research questions it can be said that this is a qualitative study.

The experimental part of this study was carried out according to the implementation plan described in the chapter 2.2 by interviewing six companies from manufacturing, construction and retail industries and by doing a desk research concerning social media presence and performance of a bunch of wood processing, construction and retail companies. The latter review is conducted by using Capgemini's (2012) study "How do the largest Finnish companies use social media?" as a model. The following chapters deal with following issues: qualitative research methods, data of the study and validity and reliability of the study.

4.2 Research Methods

"Qualitative research methods were developed in the social sciences to enable researchers to study social and cultural phenomena" (Meyers, 2009). Because of the nature of different disciplines in social sciences there is a diversity of qualitative research forms (Merriam,

2002). Generally speaking the aim of qualitative research is to study and depict the phenomena and events that happen around us in the real world (Alasuutari, 1999). Instead of trying to prove something by using statistics, qualitative research strives to answer questions such as why and how (Kolb, 2008). “There are four major methods used by qualitative researchers: observation, analyzing texts and documents, interviews, recording and transcribing” (Silverman, 1993). These methods can be used either as an alternative, in parallel or combined in different ways depending the needs and resources (Pitkäranta, 2010).

In general there are two different kinds of interview forms: practical interview and research interview. The biggest difference between these two forms is that the aim of practical interview is to offer direct solutions to problems based on the information received. What comes to research interview the information is first scientifically analyzed. (Hirsjärvi & Hurme, 2001). Further according to Preece et al. (2002) these interview forms can be divided into more specific interview types based on how much the pre-determined questions affect the course of the interview.

Hirsjärvi and Hurme (2001) divide interview types into open, questionnaire and theme interviews. Based on their definition an open interview is a conversation-like situation with a specific subject. During the course of the open interview the interviewer is able to present new questions based on the previous answers. As depicted by name questionnaire interview is carried out by distributing questionnaires or presenting the pre-set questions to the participants whereas a theme interview proceeds as per the determined themes and questions. However there is room for maneuver thus the interview might easily be rather free and conversation-like when needed. (Hirsjärvi & Hurme, 2001).

Desk Research is a research technique which is mainly acquired by sitting at a desk. Desk Research is used in collecting data from existing resources. Because of this it is often considered a low cost technique compared to e.g. field research. There are two kinds of desk research techniques: internal and external desk research. The latter one can be further divided into three different types: online desk research, government published data and customer desk research. (Management Study Guide, 2012).

4.3 Data of the Study

In the desk research 17 companies among Finnish construction, retail and manufacturing companies were rated and evaluated based on their presence on Facebook, Twitter and YouTube and their activity within marketing, customer service, sales, communication & PR and R&D. Whereas in the Capgemini (2012) study 49 Finnish companies were rated on the basis of their presence on Facebook, Twitter, YouTube and LinkedIn as well as their activity within 6 levels of the value chain (recruitment, marketing, research publishing, customer service, sales and communication & PR).

The companies that were examined in this survey are presented in the table 1 in chapter 5.1.1. Six of the 17 companies were also involved in the interview part of the study. For this review companies were mainly chosen because of their relative popularity and size. Moreover most of the chosen companies seemed to be somewhat active in social media platforms. Facebook, Twitter and YouTube were chosen as the main area of interest because of their popularity among the Finns and suitability e.g. for marketing or PR whereas LinkedIn was dropped out of the list because it is mainly used in recruiting.

In order to be able to evaluate companies' social media activity a set of guidelines concerning different business functions as well as a scoring scale had to be determined and created first. Eventually both the scale and the criteria were incorporated into a special scoring table (table 2) which is presented in the chapter 5.1.2. The empirical part of the desk research was conducted between October 2012 and December 2012. Because of the astronomical number of tweets and messages that have been posted during the course of time, some kind of time frame had to be determined as well. I decided to focus on messages which had been posted during 2012 though in some cases what comes to YouTube clips the time frame is not that important. E.g. videos concerning terrace building techniques do not get old as fast as commercials. What comes to the implementation of the empirical part of the desk study I skimmed through every tweet and status update posted on companies' Facebook and Twitter pages since the beginning of January 2012 till the end of December 2012. From YouTube I checked the playlists and watched the most interesting clips even though they would have

been produced and uploaded before 2012. While skimming through the pages I made some notes. The activity evaluation was conducted in January 2013 based on the notes and the guidelines determined in the table 2. The activity and presence score ratings and tables can be found from the chapters 5.1.1 - 5.1.3.

The companies interviewed were UPM, K-Rauta, Stora Enso, Honka, Bauhaus and Älvsbyta. They were selected because: 1) they either produce or sell and market wood based products, 2) they currently exploit at least one social media platform, 3) (of) their easy to reach location and 4) (of) their willingness to participate in this survey. The interviews were conducted in Finnish either face-to-face or by phone or e-mail between September 2012 and January 2013. Before the interviews I naturally had to contact the companies that I wanted to be included in the survey. I contacted UPM, Stora Enso and Älvsbyta via Facebook and it proved to be a successful approach. The response came quicker than I expected. From Bauhaus, Honka and K-Rauta I knew some people due to personal connections and earlier dealings so it was rather easy to contact their representatives by e-mail because I knew to whom I should write.

The length of the face-to-face and phone interview sessions varied from 10 minutes to one hour. The questions were sent to the participants in advance in order to ease their preparation process and improve the flow of the interview or then to enable answering questions. Despite the pre-planned set of questions each live interview session proved to be different e.g. in terms of the role of the interviewer. Sometimes I could only listen carefully and take what the interviewee had to offer and then sometimes I was the one who led the conversation and asked questions. The face-to-face interview sessions were recorded with a phone and the recordings were later transcribed on paper and translated into English. What comes to the phone interview the procedure was quite similar, with one exception. Instead of recording the conversation I made some notes, after which the notes were transformed into logical English sentences. Contrary to my original plan, I ended up doing one of the interviews by e-mail, due to my tight schedule. E-mail interview proved to be the easiest concerning the amount of work but as a method it is rather boring because the interaction between the interviewer and interviewee is low.

The questions were formed around following themes: 1) social media presence, 2) strategy and implementation, 3) benefits, expectations and risks, and 4) R&D and customer feedback, and the themes were derived from the title of the thesis. The questions are presented in more detail at the end of this thesis in the appendix section. Overall the aim of the questions was to find out e.g. what social media platforms are used, how they use them especially concerning the topic of the thesis and what kind of expectations do they have on the benefits? The answers are presented theme wise in the result chapter starting from the sub-chapter 5.2.2.

4.4 Validity and Reliability

What comes to the results and analysis of the desk research, they cannot be considered as absolute truths and the main findings are more or less suggestive. First of all the results and analysis are more or less based on my personal views. For example the definitions concerning e.g. marketing, sales and customer service functions may vary depending on the person who sets the guidelines. Secondly it is also good to remember that my expectations concerning the technological possibilities offered by social media for different functions can be either too high or low, because I am not fully aware of the technological aspects of social media. Apart from I could only see what has been done in public. For example I do not know what kind of private messages companies receive through social media and the means for tracking the actions of the fans and followers are limited. The size of the sampling is rather extensive, covering altogether 17 different kinds of companies from the pre-selected business areas.

Generally speaking I think that the interviews offer a rather good and reliable review of the current situation regarding the theme of the study. However it is good to remember that companies tend to convey a rosy picture of their achievements and operations, thus the things might be bit different in the reality. My aim was to get at least six interviews, two from each business area. The number of the companies interviewed could of course have been bigger. Also the sampling could have been wider in terms of the size of the company as in this study

all the companies that were interviewed are quite big. On the other hand making more interviews does not necessarily mean better data. For example Herrala Talot refused from the interview because they felt that they do not have anything to offer for the interview and then there were a group of smaller companies that did not respond to my interview requests which makes me think that maybe they felt the same.

5. Results of the Study

5.1 Desk Research

5.1.1 Companies Social Media Presence

Table 1 (below) shows the selected companies and whether or not they are using Facebook, Twitter and YouTube. As described in the chapter 4.2 the common nominator for all of these companies is that they either produce wood based products, or market and sell them whereas the platforms investigated in this study were chosen based on their relative popularity in Finland and suitability e.g. for marketing. In the table companies are presented in a business-wised alphabetical order.

Based on the table 1 (below) it seems that most of the 17 companies within construction, retail and manufacturing industries can be found from at least one of the channels investigated. Facebook is clearly the most popular channel as 11 out of 17 companies can be found from there, while YouTube being second is used by eight companies. Twitter seems to be the least popular channel among the 17 companies as only four of them have Twitter accounts. (Table 1).

K-Rauta, UPM and Stora Enso have accounts on every platform whereas Honka, Bauhaus, Rautia and Koskisen have accounts on Facebook and YouTube and Metsa Group on Twitter and YouTube. Mammuttahirsi, Alvsbytal, Herrala Talot, and Kastelli are only on Facebook. Starkki, Kodin Terra, Versowood, Kannustalo and Kontio are not currently present at any platform. (Table 1). Actually Kontio had an account on Facebook in October 2012 which they had been using for quite some time. However in the mid-November I could not find their site anymore. In addition Kodin Terra can be found from Facebook. Based on their “timeline” information it seems their page was created in July 2011 however nothing has happened there since the opening.

Companies have also been rated based on their social media presence. For example if a company has account on three platforms it has been given 3 points. Further two points has been given to a company that utilizes two different platforms, one point to companies that are using some of the three channels and finally zero points for not being present on any of the platforms examined. The grades can be seen from the table 1. The presence scores were given just to make the list more illustrative. These scores are not used in the second phase of the desk study where social media activity is in focus.

Table 1. Social Media Presence of Retail, Manufacturing and Construction Companies

Social Media Presence of Retail, Manufacturing and Construction Companies						
Company	Industry	Facebook	Twitter	YouTube	Presence Score	
Bauhaus	Retail	x	-	x	2	
Kodin Terra	Retail	-	-	-	0	Legend
K-Rauta	Retail	x	x	x	3	x = presence
Rautia	Retail	x	-	x	2	- = no presence
Starkki	Retail	-	-	-	0	
Koskisen	Manufacturing	x	-	x	2	
Metsä Group	Manufacturing	-	x	x	2	
Stora Enso	Manufacturing	x	x	x	3	
Versowood	Manufacturing	-	-	-	0	
UPM	Manufacturing	x	x	x	3	
Herrala Talot	Construction	x	-	-	1	
Honkarakenne	Construction	x	-	x	2	
Kannustalo	Construction	-	-	-	0	
Kastelli	Construction	x	-	-	1	
Kontio	Construction	-	-	-	0	
Mammuttahirsi	Construction	x	-	-	1	
Älvsbyta	Construction	x	-	-	1	

5.1.2 Companies Social Media Activity

For evaluating companies' social media activity concerning marketing, sales, customer service, communication & PR and R&D functions a special scoring system (table 2) was created. The activity scale goes from 1 to 5, the lowest figure representing low social media activity and the highest respectively high activity. In the table scores 1, 3 and 5 have been defined whereas scores 2 and 4 have been left open. The scores 2 and 4 indicate "slightly better or worse" than 1, 3 or 5. Generally the more there were elements for a two way interaction between company and customer and engagement of customer to company the higher scores were given. Capgemini's study from the year 2012 was used as a model in the planning of the scoring system (table 2). Even though retailing, timber manufacturing and log house construction businesses have a lot of common features their business logics differ in many ways. To create common scoring criteria applicable for different business types is not an easy task. E.g. the information concerning sales point location is crucial for successful retail business but it is not that crucial for a timber manufacturer. Due to notable differences between the businesses involved in the survey, the scoring criteria used in this study works more as a general guideline in assessing companies' social media activity. The criteria described in each block are more like examples of the material and content expected to be found from social media. Comparing companies based on scores is better justified within the same business type whereas with comparing companies of different business types on the basis of the total scores should be careful.

Table 2. Social Media Activity Scoring System

Social Media Activity Scoring System					
Function	Scores				
	1	2*	3	4*	5
Marketing	Basic product information is given	-	Besides the basic product information, a lot of illustrative material is given as well	-	A lot of audiovisual information about products, links to commercials, two-way communication is enabled
Customer service	Frequently asked questions and answers are listed	-	Questions are directed to service desk, transportation service available	-	Service desk, transportation service, mounting help and turnkey-projects are available
Sales	Sales point location and contact information provided	-	Sales point location, driving instructions, opening hours, product catalog and contact information are provided	-	Sales point location, driving instructions, opening hours, product catalog, price lists, campaigns, special offers and contact information are provided
Communication & PR	Company values and ethical principles are described	-	Company values and ethical principles are described, evidence on “walk like talk” is presented	-	Uses platform as a regular communication channel, builds company image through various PR efforts
R&D	Customer feedback system	-	Besides the customer feedback system customers are encouraged to submit ideas to improve products and services	-	Customers are engaged in communication with the company or other customers for creating new or improved products and services for the company

In table 3 (below) Bauhaus, K-Rauta, Rautia, Koskisen, Metsa Group, Stora Enso, UPM, Herrala Talot, Honka, Kastelli, Mammuttihirsi and Älvsbyta have been assessed based on the criteria and scoring presented in the table 2 (above). Five companies (Kodin Terra, Starkki, Versowood, Kannustalo and Kontio) were dropped out from the original list (table 1) because they did not have any activities in social media. In the table 3 companies are presented in a business-wise, alphabetical order as it was done in the table 1.

Based on the desk research, which was carried between October 2012 and December 2012, it seems that large companies such as Stora Enso, UPM and K-Rauta got the best scores from

the survey. Generally speaking companies were clearly the most active in marketing, especially the retailers and timber manufacturers. Also some log house constructors got good scores from marketing. However, what comes to retailers and to some extent timber manufacturers the actual role of wood products in their social media marketing efforts was much lower than the given scores imply. By average companies got 1.7 points. Log house constructors seemed to be the least active in social media though as mentioned there were some exceptions. E.g. both Honkarakenne and Älvsbytalö got an average of 2 points which is clearly above the overall average performance. Further in some cases low activity and performance concerning the R&D function lowered the average scores. If R&D is not taken into account e.g. Stora Enso's scores rose by 0.50 points from 2.8 to 3.3 and K-Rauta's scores by 0.4 points from 2.6 to 3.0. Also the average score is 0.2 points higher if R&D is not taken into account. Most of the companies were given one point for their R&D activity even though they would not necessarily have deserved it because the presence itself gives a possibility to submit feedback. Otherwise the performance in R&D would have been even lower. Two companies, Koskisen and Mammuttihiirsi, were left without scores from R&D because it seemed that they are not using their accounts on a regular basis. However there were some exceptions. Three companies (Honka, Kastelli and Älvsbytalö) got two points for using pictures as a discussion and feedback forum or even three points (Rautia) for offering a more structured mean for submitting feedback. Full points were given only twice. UPM and Stora Enso scored five points from communication and PR. A more detailed business-wise analysis of the given scores is presented in the following sub-chapter 5.1.3.

Table 3. Social Media Activity Scores

Social Media Activity Scores							
Company	Business Functions					Average	Average without R&D
	Marketing	Customer service	Sales	Communication & PR	R&D		
Bauhaus	3	2	4	2	1	2,4	2,8
K-Rauta	4	4	4	0	1	2,6	3,0
Rautia	3	3	2	0	3	2,2	2,0
Koskisen	1	0	1	0	0	0,4	0,5
Metsä Group	2	0	0	3	1	1,2	1,3
Stora Enso	4	4	0	5	1	2,8	3,3
UPM	4	2	1	5	1	2,6	3,0
Herrala Talot	2	0	1	0	1	0,8	0,8
Honkarakenne	4	2	2	0	2	2,0	2,0
Kastelli	2	0	1	0	2	1,0	0,8
Mammuttahirsi	1	0	2	0	0	0,6	0,8
Älvsbytalö	4	0	2	2	2	2,0	2,0
Average	2,8	1,4	1,6	1,4	1,3	1,7	1,9

5.1.3 Business-Wise Analysis of the Given Scores

Through tables 4, 5 and 6 is being further investigated how retailers, timber manufacturers and log house constructors currently utilize social media regarding marketing, customer service, sales, communication & PR and R&D functions. The desk research also reveals some areas where the companies studied could in my opinion to improve their social media activity and performance. However in this chapter the focus is on where companies were good at and why. The improvement ideas will be given in the chapter 6.2.

Table 4. Social Media Activity Scores: Retailers

Social Media Activity Scores: Retailers						
Company	Business Function					Average
	Marketing	Customer service	Sales	Communication & PR	R&D	
Bauhaus	3	2	4	2	1	2,4
K-Rauta	4	4	4	0	1	2,6
Rautia	3	3	2	0	3	2,2
Average	3,3	3,0	3,3	0,7	1,7	2,6

Based on the results of the desk research presented in the table 4 (above) it seems that Bauhaus, K-Rauta and Rautia were rather active in their marketing, customer service and sales efforts but what comes to communication & PR and R&D their performance was really weak. Generally speaking all retailers proved to be active Facebook users. On YouTube they had only some videos such as commercials and renovation tips for do it yourself builders. However it seemed that they are not actively creating new content or utilizing the old. Of the retailers K-Rauta was the only one who has a Twitter account. What comes to Twitter I got an impression that they just repeated what they had already posted on Facebook. The rather low activity in other platforms was to some extent taken into account when given activity scores.

K-Rauta got the best average scores (2.6 points) while Bauhaus being the second most active got 2.4 points. Among the retailers Rautia got the lowest scores (2.2). As mentioned in the previous chapter (5.1.2) retailers did not particularly highlight wood products in social media. However what comes to the scoring they were not punished from that, because in the retail business seasons largely define the products or product lines that are brought out in different marketing channels. On Facebook K-Rauta and Rautia offered their fans different kind of applications to be downloaded for smart phones. This is one of the main reasons for their high customer service scores. From all of the 12 companies Rautia got the best scores from R&D (3 points) because they have made it possible to submit store-specific feedback via their Facebook page. K-Rauta and Bauhaus were given one point from R&D merely due to using

pictures and being actively present on Facebook. These factors had a positive effect on the marketing scores as well. In addition to, both Bauhaus and K-Rauta have a special interleaf on their Facebook page through which followers can find information about the opening hours and store locations. Bauhaus earns a special notice for its SOS Children's Village campaign and for bringing out an online version of their product catalogue on Facebook. Then last but not least it is worth mentioning that all retailers have weekly draws where their fans can win notable product prizes.

Table 5. Social Media Activity Scores: Manufacturers

Social Media Activity Scores: Manufacturers						
Company	Business Functions					Average
	Marketing	Customer service	Sales	Communication & PR	R&D	
Koskisen	1	0	1	0	0	0,4
Metsa Group	2	0	0	3	1	1,2
Stora Enso	4	4	0	5	1	2,8
UPM	4	2	1	5	1	2,6
Average	2,8	1,5	0,5	3,3	0,8	1,8

Of the timber manufacturers Stora Enso and UPM seemed to be actively present on all of the three platforms studied. They had frequent status updates on Facebook and tweets on Twitter as well as a bunch of new video material on YouTube. Koskisen's sites both on Facebook and YouTube looked nearly dead even though it has had those accounts since 2010. As a result, Koskisen got the lowest averages scores (0.4 points) from the survey. Metsa Group had an account on Twitter and YouTube. Based on the "log" information Metsa Group joined both Twitter and YouTube in February 2012. In this respect it appeared to be surprisingly active e.g. compared to Koskisen, though it was evident that the company was taking its first steps in the social media realm.

As mentioned in the previous chapter (5.1.2) UPM and Stora Enso were among the most active social media users of the 17 companies studied. By average Stora Enso scored 2.8 points and UPM 2.6 points. Based on the table 5 (above) they were especially strong in marketing and communication & PR from where they both received five points. Further what comes to communication & PR, Twitter was used as their main communication channel. It seemed that they tweeted every time when they had something significant in their mind concerning e.g. interim reports or other environmental issues. Also Metsa Group used Twitter for similar purposes but they were not as active as UPM and Stora Enso.

Compared to Twitter, Facebook's role seemed to be much more diverse. What comes to manufacturers' activity on Facebook, Stora Enso was clearly ahead of UPM. Stora Enso had several accounts on Facebook, one of which called "Living Room" is dedicated to wood products. Stora Enso had own site for forest owners as well. These factors had a positive effect on the marketing and customer service scores that I gave to Stora Enso in spite of my focus in this study was on corporate pages. UPM's Facebook page was built around issues related to Helsinki World Design Capital 2012 project. Since the end of the HWDC 2012 project UPM's Facebook activity dropped dramatically and they have clearly been searching for new strategy. However, during the project they used Facebook rather actively e.g. in their marketing efforts which had a positive effect on the scores. Generally speaking manufacturer's Facebook pages seemed to work more as an information channel than a platform for dialogue.

On YouTube Stora Enso, UPM and Metsa Group had different kind of video material starting from forestry to employee & CEO interviews and from commercials to "do it yourself" tips. The material on YouTube was surprisingly new and it was also utilized in parallel with other platforms such as Facebook. In addition to videos e.g. UPM had the basic company information available on written form and offered links to its other social media sites.

As it was the case with the retailers, I also gave one point from R&D to UPM, Stora Enso and Metsa Group because of their active presence which makes contacting them possible and easy. Koskisen was left without points because it was one of the least active social media users of the companies studied. What comes to the visibility of construction related wood

products on manufacturers' social media pages they were not especially highlighted, if not taken into account Stora Enso's "Living Room" page and some YouTube clips.

Table 6. Social Media Activity Scores: Constructors

Social Media Activity Scores: Constructors						
Company	Business Function					Average
	Marketing	Customer service	Sales	Communication & PR	R&D	
Herrala Talot	2	0	1	0	1	0,8
Honkarakenne	4	2	2	0	2	2,0
Kastelli	2	0	1	0	2	1,0
Mammutihirsi	1	0	2	0	0	0,6
Älvsbytalö	4	0	2	2	2	2,0
Average	2,6	0,4	1,6	0,4	1,4	1,3

According to the table 1 (chapter 5.1.1), of the log house constructors Herrala Talot, Kastelli, Mammutihirsi and Älvsbytalö had accounts only on Facebook whereas Honkarakenne utilized both Facebook and YouTube. However during the study period Honka was not very active on YouTube. Generally speaking based on the results presented in the table 6 (above), Honka and Älvsbytalö were clearly the most active social media users among the log house constructors studied and Herrala Talot, Kastelli and Mammutihirsi were among the least active companies in the whole study. Both Honka and Älvsbytalö got an average of 2 points whereas the others got an average of 1 point or less.

Again as it was the case with other business groups, log house constructors were the most active in their marketing efforts, and most of the companies were given at least one point from R&D if they were active enough. Further what comes to Facebook marketing, Honka and Älvsbytalö shared a lot of pictures from their model houses. They also made frequent status updates concerning mainly housing & home related issues as well as forthcoming house exhibitions. Also Herrala Talot, Kastelli and Mammutihirsi shared some photos but not as

actively as Honka and Älvsbytalö. These factors had a positive (or negative) effect on the scores given from marketing and sales. Älvsbytalö earns a special notice for its cooperation with Save the Children foundation. It was the only one who got scores from communication and PR. It is also worth mentioning that three companies (Honka, Älvsbytalö and Kastelli) received two points from R&D. Those points were given because they encouraged people to comment on the pictures of their model houses either verbally or just by posting tempting pictures.

5.2 Interviews

5.2.1 Company Introduction

Bauhaus is a privately owned hardware store chain or as they define themselves a “Do It Yourself” (DIY) -chain. It was founded in Mannheim, Germany in 1960. Today Bauhaus employs around 12 000 people and it has more than 250 stores around Europe. Bauhaus opened its first store in Finland in 2001 and after that they have opened four other stores. (Bauhaus, 2012). According to the Finnish Hardware Association Bauhaus’ turnover was around 169 million euros in 2011 (FHA, 2012).

K-Rauta is Bauhaus’ Finnish counterpart and competitor. The chain is part of Rautakesko Ltd which belongs to Kesko Plc. K-Rauta employs around 5000 people and it has 92 stores in five countries. (K-Rauta, 2012). According to the Finnish Hardware Association K-Rauta’s turnover in Finland was about 720 million euros in 2011 (FHA, 2012).

Honkarakenne Group is a Finnish log house manufacturer. It was founded in the 1950s in the midst of rebuilding after war. Today Honka is an international player, a valuable brand and the world’s largest manufacturer of genuine log houses. They have subsidiaries in Germany,

France, Japan and the United States. Honka's turnover in 2011 was 55 million euros and it employed 261 people. (Honka, 2012).

Älvsbyta belongs to the Swedish Älvsbyhus concern which was founded in 1960 in Sweden. The company produces and markets turnkey, high-quality, 1 or 1.5 story houses that are made from wood, at the lowest price in the markets. They have several sales offices in Sweden, Finland and Norway. The production facilities are located in Sweden and Finland. (Älvsbyta, 2013). In Finland Älvsbyta's turnover was 31.2 million euros in 2011 (Kauppalehti, 28.07.2012).

Stora Enso is a Finnish based manufacturer of paper, biomaterials, packaging materials and wood products. Stora Enso consists of four business areas: Printing and Reading, Biomaterials, Building and Living and Renewable Packaging. The group has around 30 000 employees in more than 35 countries worldwide. In 2011 group's turnover reached 11 billion euros. (Stora Enso, 2012).

UPM is a Finnish pulp, paper and timber manufacturer. The group consists of three business groups: energy and pulp, paper, and engineered materials. UPM has production plants in 17 countries and it employs around 24 000 people worldwide. In 2011 UPM's turnover was around 10 billion euros. (UPM, 2012).

5.2.2 Theme 1: Social Media Presence

Companies have found their way into social media quite recently. Of the six companies that were interviewed Honka, UPM, Stora Enso and Älvsbyta were the first ones in social media. For example UPM joined the foremost in Twitter in 2009. After that they have slowly but surely opened new social media accounts. Besides Twitter, UPM concern currently utilizes 5 other platforms: YouTube, Facebook, LinkedIn and a blog. UPM blog was launched during the fall 2011 whereas Facebook is their latest conquest from March 2012. Also some

major business units like UPM Paper and Raflatac have later created their own Twitter accounts.

Honka has been active on Facebook since 2009. Facebook is not their only channel but it is probably the most efficient and important one because of its size, popularity among the Finns and because of the diverse features it offers. Honka have also considered joining Pinterest due to its photo sharing properties. Pinterest is a platform where people can organize and share all the beautiful things they find on the web (Pinterest, 2012). However due to rather low number of Pinterest users Honka has not yet started to use it.

Älvsbyta has had social media presence since 2010 but it has been really active from the beginning of 2012, when the company started its co-operation with a communications agency. K-Rauta and Bauhaus were the last ones who found their way into social media. K-Rauta joined both YouTube and Facebook at the end of 2010. Nowadays it also has an account on Pinterest. Bauhaus joined Facebook in December 2011, though officially the page was launched few months later in April 2012.

In some cases it seems that in the beginning companies did not know what to expect from social media. They joined in e.g. Facebook or Twitter in order to gain experience and understand what kind of potential and possibilities social media offers for businesses. Stora Enso's SVP of Global Brand and Rethink said: *"We made our first experiments in the social media realm already during 2009. In the beginning our aim was just to learn how the major platforms work"*. According to UPM's representatives *"We jumped in the social media wagon simply because we wanted to follow the winds of time...The fact that social media had already gained a firm foothold by the end of 2010s made the decision easier"*

Later companies have obviously found clearer motivation to justify their presence in social media. A member of UPM's media team said that: *"The purpose behind UPM's social media efforts is to stay connected with our stakeholders via relevant channels and at the same time to serve the needs of our business units. In other words UPM uses social media for improving interaction between the company and stakeholders as well as for creating new relationships"*.

As mentioned earlier after joining Twitter in 2009 UPM has slowly but surely opened new social media accounts.

After the curiosity driven phase in 2009, the reasons for the presence in social media have been clarified at Stora Enso as well. In the late 2000s Stora Enso's CEO Jouko Karvinen initiated an extensive reform and restructuring program which led to significant organizational and operational changes. The company basically reinvented itself and developed a totally new corporate identity and strategy. During 2010 they realized that they have already achieved quite a lot but they have not told anyone about their accomplishments. Stora Enso's SVP of Global Brand and Rethink explained: *"This gap generated a strong need inside the company to tell stories, share information and video material and discuss with people... and this is where social media stepped in the picture"*. The official opening of Stora Enso's social media pages was postponed until the launch of the new corporate identity campaign in 2011. Stora Enso is active e.g. on Facebook, YouTube and LinkedIn. Besides the official corporate Facebook page some of its brands and business units such as Multi Copy and Skoghall factory have their own page on Facebook. For wood products Stora Enso also has a special community on Facebook which is called "Living Room". On that site their aim is to show how wood can be used in different kind of construction and furnishing solutions.

The interest to make the company known among the young generation was mentioned by some companies as a source of motivation for joining social media platforms. K-Rauta's Marketing Director explained the reasoning behind their decision to join in social media communities as follows: *"The reason why K-Rauta joined in social media communities is simple; we wanted to be present in order to remind "young and social" people that K-Rauta exists and in the longer run, to offer added value to our customers"*. Facebook was chosen as K-Rauta's main social media platform because it is currently the most popular social network among the Finns and of all the available platforms it was the most familiar among the management. According to the Marketing Director, from K-Rauta's perspective e.g. Twitter is considered more as a substitute for text messages than a tempting and useful communication tool. In general K-Rauta believes in the power of pictures and videos and uses those social

media channels where photos and clips can be shared, watched and used in the most convenient and profitable way.

Also at Bauhaus social media is seen especially as a tool for reaching the young generation. Bauhaus' Marketing Manager explained: *"We decided to try social media because the world around us was changing rapidly along with our customer base which nowadays consists increasingly of young people"*. Further according to the Marketing Manager the decision to join Facebook was more like a sum of coincidences than a carefully calculated move. Eventually Bauhaus made the decision based on journals and current trends.

From Honka's point of view the web has played an important role in the log house business for quite some time because people often use the Internet for searching information, photos and videos e.g. before doing buying decisions. Honka's Marketing Manager stated that: *"Social media fits for this purpose as well and that is why Honka decided to join in social media platforms in the first place"*.

5.2.3 Theme 2: Strategy and Implementation

For companies social media is a new phenomenon. Thus as mentioned in the previous chapter it seems that most companies have not had enough time for gaining understanding about social media in order to be able to make specific social media strategy. However, there are different guidelines and practises regarding to social media which are often part of the marketing and communication strategy. Of the companies interviewed UPM and Stora Enso have the clearest strategies or at least best defined principles regarding to social media. Their strategies differ in one essential respect what comes to managing social media related issues; UPM leans on a centralized system whereas Stora Enso has given it business unit's a lot of freedom.

At UPM, the headquarters and its communication department has a strong role in steering the social media activities of the company. In the spring of 2012 UPM's communication department put together a special "media team" to construct general guidelines for group-level social media usage. The media team set up several questions to be answered concerning e.g. social media's meaning and purpose, channel and target group selection, governing and supervision issues. The guidelines can be found from company's Intranet. The purpose in being in social media could briefly be described as it was written in the chapter 5.2.2: "*UPM utilizes social media to improve our operations and interaction with our stakeholders*". Group's communication department or more precisely the media team controls all social media channels used by the company with one exception; the human resources department takes care of LinkedIn. Besides social media issues the media team is also in charge of company's external communication, media relations and stock exchange announcements. The team reports directly to UPM's Communications Director.

UPM has defined the role of different social media forums in UPM's business. Twitter is mainly used for sharing news and articles to journalists and stakeholders who want to stay tuned what is happening in the forestry sector. On YouTube UPM has videos concerning its products, current topics and responsibility issues. So far the marketing department and some business units have been utilizing YouTube the most. Very often YouTube videos are used in parallel with e.g. Facebook by sharing links on the wall. UPM's blog is used for sharing different kind of stories, material and instructions to journalists and consumers. Blog writings have varied between Russian wood tariffs and the Helsinki 2012 World Design Capital project. New content is produced three to four times in a month. UPM's Facebook page started as a pilot project. It was launched in order to increase the visibility of the Helsinki World Design Capital 2012 project and in the beginning it worked as a forum for the project. Later Facebook has also been used for other purposes but after the end of the project they still have to think how to develop the site. Unlike with Twitter, posts on Facebook are marketing and brand oriented and they are meant for consumers. From Wikipedia anyone can find the basic information of the company both in Finnish and English.

In order to share information via concern's social media platforms or establish new ones, UPM's units have to consult the media team first. Establishing of a new of social media channel requires profound preparation and filling the requirements of so called "check-list". The check-list contains following questions: why the channel is needed, what is the purpose of the channel and to whom it is targeted at, what are the objectives and how they will be measured? Besides the check-list, also a publication plan is required. All these measures have to be taken because the media team wants to be sure of the usefulness of the channels. However in general most of the communication happens through concern's social media platforms because not every unit has resources to hold their own account and often target groups can be reached through the common channels.

UPM is actively following what is happening around their social media accounts and in the social media in general. They are also tracking how many followers they have on different platforms in order to be able to evaluate the success of their online efforts and what UPM related issues people share through their social media profiles. When needed UPM is capable to arrange some basic training for the employees. If deeper training is required they have to turn to external agencies because they have the latest know-how. UPM's communication policy is based on the rules of the stock exchange and the Finnish Securities Markets Act. The same policy and rules is applied also in the social media realm. In general only the CEO, investor relations director, communications director, the members of the management group and some designated parties, are eligible to give official statements in the name of UPM. Employees have to acknowledge UPM's communication policy and the set guidelines before taking part conversations if they do it as a company representative. Every employee is ultimately responsible for what kind of information they share and nobody should be offended by any means.

Stora Enso started the strategy work concerning digital channels in 2010. According to Stora Enso's representative *"social media related issues belong to the wider marketing and communication package"*. Stora Enso's communication department or actually the "Global Identity" unit as they call it, have largely been responsible for company's social media efforts. However lately their role and responsibilities have been decreasing as brands and business

units have opened new accounts and taken more and more responsibility over producing content. What comes to the visual identity of Stora Enso's platforms the Global Identity unit is still in charge but otherwise business units have been given free hands to act as long as it is done in accordance with the company policies. For example every site has to have a community manager who looks after the channel and makes sure that the dialog is not left open.

With respect to responding messages and discussions in social media their Stora Enso's aim is to reply, if needed, within two working days. However, if the message does not contain a direct question for the company they usually do not reply. In the past they have had some cases when they have followed this guideline maybe too accurately which then caused some troubles. Stora Enso's organizational structure is rather low so the key personnel are easily available and everyone knows their responsibility areas. Here internal communication has to work well to guarantee that the questions do not fall to an area held by nobody. According to Stora Enso's SVP of the Global Brand and Rethinking *"We do not have a need for explaining or making excuses but we have a need for dialogue. For example if Greenpeace would "attack" against us, the CEO would most likely contact them somehow and ask what has happened"*.

Monitoring and listening social media platforms is an essential part of Stora Enso's "media strategy" and for that purpose they have been using Radian6 on weekly and monthly basis. According to Stora Enso's spokesperson *"social media related issues take more and more time from those employees who work with it"*. However the time used and resources needed vary between different sites. For example their Skoghall Facebook page is much more interactive than Stora Enso's official Facebook page which means that maintaining the site requires more. In general social media has so far been more like a supportive tool for the company. However depending on the content Facebook might serve them better than their traditional web-pages. During 2013 they will once again rethink their media content strategies. There one of the most central questions is do they need the traditional home pages anymore? At the same time Stora Enso is also renewing their working tools and culture by introducing an internal social media platform. The internal social media will most likely reduce the time spent working with e-mail and lower the communication barrier between their

employees in the global scale. The new platform is intelligent. This means that during the course of time the platform learns what people are doing and with whom. Based on this information it can suggest that someone from Finland should contact a colleague in Brazil because it might be inspiring and beneficial for both.

At Honka social media is seen, perhaps more than in other companies interviewed, as a marketing tool. The sentence of Honka's representative: "*We are in social media to serve our customers and the content we produce e.g. on Facebook reflects this purpose*" describes well, how Honka sees the role of social media. Honka does not post financial data or annual reports on the wall but instead of this kind of information they rather post product pictures or other visual material. They have also created own Facebook sites for their main market areas. However, for Honka social media is still more like a supportive marketing tool and it has not replaced the traditional ways of doing marketing. Honka did not define specific guidelines for social media usage in the first place but the strategy has been formed gradually as their know-how and experience has increased. Generally Honka follows the same principles on every platform even though each channel has its own conformance with the law. What comes to ethical issues Honka follows the values associated with its brand such as Finnishness and sincerity. Thus questionable means like astroturfing are not accepted as a proper way to do marketing. If employees take part into discussion taking place in social media platforms they have been instructed to it as individuals. Honka's top management is not externally visible in social media.

Honka's marketing team, which consists of four employees, is among their other tasks responsible for company's social media activities. At the moment social media related tasks take few hours of the weekly working time from the whole team. According to the marketing manager everything they do in social media is targeting to get fans mobilized and participate. Honka follows and measures how their fan base develops and what people are talking about them on their sites. In the future their aim is to develop their systems into more sales-oriented direction in order to get direct sales leads via social media platforms. They are also thinking of using some tools such as Google Alert for tracking and monitoring online discussion.

Differently from the other companies, Älvsbytalos interview was addressed to a communication agency, which seems to have a central role in planning and implementation of their social media activities. As it was the case with the others, Älvsbytalos do not either have a particular social media strategy. Their social media activities are carried out in accordance with the overall company strategy which has initially been planned by the marketing manager of Älvsbytalos together with the communications agency, who is responsible for producing content on Facebook. In Finland, Facebook is the only social media platform that is widely used. Facebook was chosen because of its popularity and because it offers many different possibilities to interact with customers and fans.

What comes to the ethical issues concerning social media the spokesman of Älvsbytalos (=communication agency) wrote as follows: *“There are no written guidelines regarding ethical principles or astroturfing, but needless to say the company does not support any unethical practices for gaining positive comments on social media. All the actions the company executes in social media (or in other communications) should be transparent”*. In reality, the posts are done by one person only. Employees have not so far been encouraged to take part in social media discussions. The spokesman wrote: *“But they are free to participate on the conversation”*.

At K-Rauta the social media guidelines or practices are linked to Kesko Plc’s communication and marketing strategy. They do not have a separate social media strategy. Basically K-Rauta’s social media efforts are more or less under the supervision of the Marketing Director. Marketing Director of K-Rauta told that their communication and marketing strategy includes also ethical principles regarding to social media. *“What comes to astroturfing, it is not seen as a proper method”*. K-Rauta has outsourced the daily maintenance, supervision and updating tasks to a digital advertising agency which consequently takes care of the strategy implementation. In order to produce fresh content and take part into conversation the agency personnel logs into Facebook three times a week. If there is something where the agency cannot directly respond, e.g. troublesome product reclamations or something unexpected, they will turn to the Marketing Director who in turn gives the response to an appointed person according to approved group-level communication practices and guidelines.

Right in the beginning K-Rauta decided not to bring product pricelists on Facebook. Their aim has simply been to initiate and take part in conversations and offer new ideas and added value e.g. through photos and different kind of tools. For the future K-Rauta has been thinking of hiring a social media co-ordinator, who would take care most of the daily social media related issues in accordance with the company policy. The following statement of K-Rauta's Marketing Director: *"So far working with social media has been more or less like extinguishing small fires, which is by no means seen appropriate"* indicates that social media has not yet found proper role at K-Rauta.

For Bauhaus social media affairs has not so far been on the top of priority list. According to the Marketing Manager *"What comes to operating in social media platforms, we move on slowly but surely, in the beginning we did not set special social media guidelines or strategies"*. At Bauhaus the Marketing Manager is the one who is responsible for company's social media efforts and so far other employees have not been encouraged to take part in social media operations and discussions. According to the Marketing Manager estimation, social media related issues such as updating and following their Facebook page takes about one day of her workweek.

5.2.4 Theme 3: Benefits, Expectations and Risks

What comes to pure financial or numerical benefits of being in social media, they appeared to be somewhat difficult to define and measure. On the other hand, companies did not report that social media would have caused any harm for their businesses. One way to measure how successful the companies have been in utilizing social media is to follow the number of fans they have on different social media platforms and analyze the type of postings they make; positive, negative or neutral. Due to the differences between businesses, e.g. B2B versus retail; direct comparison of figures is not justified but the figures together with qualitative analysis of postings gives some indication of the benefits gained from being in social media.

If measured solely with the number of Facebook-fans, K-Rauta has been quite successful. After two years severe fan-hunting, in October 2012, K-Rauta had around 20 000 Facebook-fans. Despite a decent number of fans the Marketing Director of K-Rauta said: *“Regardless of a rather large number of followers, generating meaningful conversations on Facebook have proved to be more difficult than expected”*. Further he added: *“After achieving a decent mass of followers, social media has more or less worked as a supporting tool to be used in building our image and brand”*.

From K-Rauta’s point of view it has so far been very difficult to measure the direct commercial benefits of social media usage because they have not had pure product offerings on their social media platforms or offerings that would have been marketed only for Facebook fans. Regarding to any specific product groups, like wood products, the benefits are even more difficult to measure because specific product groups are not usually brought out on Facebook otherwise as via photos. For example during the summer months K-Rauta might post on Facebook’s wall a summery scenery photo where people sit on a fancy wooden terrace in the backyard. Further for those people who are more into yard and garden related issues K-Rauta has created own forum on their basic Internet site where they provide e.g. details about different materials and tips how to build a terrace. In the future (during 2013) K-Rauta expects to get some proof on the direct commercial benefits of social media marketing by bringing out some product offerings that are only available for Facebook fans with a special price. They have not tried this earlier because it has been rather difficult to get the offering available throughout the chain.

Also Bauhaus reported that they have been successful in getting Facebook fans. The Marketing Manager of Bauhaus told: *“When we joined Facebook our goal was to get 10 000 fans before the turn of the year 2012. This wish came true earlier than expected and by the mid December we had already more than 16 000 fans following our site”*. Despite of the success in the fan hunt they believe that so far they have not gained any major benefits from being on Facebook, though they have not yet tried to track and measure the benefits. In general Bauhaus does not have high expectations regarding social media and wood products do not play a special role there. According to the Marketing Manager in the social media

realm “people are more interested in the non-traditional hardware store items such as lamps and decorative items”. Further according to the Marketing Manager social media will not replace their more traditional marketing tools such as “HZ-magazine” which is sent to about one million households twice a month. For Bauhaus social media is merely a supportive tool. However, in the near future they are going track and measure the benefits and perhaps they will get a reason to change their mind.

From UPM’s perspective “enrolling” fans through social media has so far been more difficult than expected. In September 2012 UPM had over 1200 followers on Twitter and over 700 fans on Facebook. On LinkedIn they had more than 4000 subscribers. “*We are satisfied with the number of followers what comes to LinkedIn and Twitter as the latter is mainly targeted for journalists*”, UPM’s representative stated. The number of Facebook followers is a small disappointment but they are not yet worried. After the beginning they have witnessed a slight increase in the fan base. One reason for the rather weak development might be that in the beginning they probably marketed their page for too narrow group of people because of the HWDC 2012 project. However UPM’s representative said that “*Overall, Facebook has proved to be an efficient tool what comes to marketing events and projects like Helsinki World Design Capital*”.

At Stora Enso the benefits of social media presence are seen merely as opportunities to improve the transparency of information. Stora Enso’s spokesman indirectly indicated that somewhere being transparent may be seen as a risk by saying: “*Risks related to social media rise as the level of management’s transparency decreases. Being transparent is not a risk for us but rather a lifeline. If it would be a risk the real problems would be somewhere else*”.

Another genre concerning the benefits of social media that rose up during the interviews was that social media enables two-way information exchange between the company and customers. For example Stora Enso is monitoring online discussions. Their aim is to find out what people are talking about the company and in what kind of context. Stora Enso representative commented: “*For us listening peoples’ opinions have been really important and useful. We have been able to utilize the data we have gathered through monitoring the online discussion e.g. in planning our responsibility strategy*”

At the moment also Honka's Facebook's position is pretty strong. So far their fan base, about 5000 fans, has grown more or less organically and the mass consists largely of true Honka fans, employees and people who are thinking of buying a log house. Honka has not actively tried to acquire Facebook fans. According to Honka's Marketing Manager *"one of the best things about social media is that people use it on their own initiative...furthermore both individuals and companies can produce content by themselves"*. It seemed that Honka's Marketing Manager clearly believes in the benefits of social media; *"We believe that social media is here to stay but the platforms may change. At the moment Facebook's position is pretty strong but the recent changes may have a negative influence on its popularity"*.

Of the companies interviewed Älvsbytało regarded social media most clearly as a tool which supplements marketing. The spokesman wrote: *"Social media has been used in communicating the same messages as in print advertising but also in sharing other content that interests the audience. Facebook is clearly a more interactive platform as the communications does not happen only in one-way"*. According to Älvsbytało's spokesman with respect to social media activities the company has following targets: 1) create an open communication platform, where people become more familiar with the company and form a relationship with the brand and 2) to create an appealing image of Älvsbytało and support the brand strategy and mission of offering the possibility for owning the affordable "dream house".

The difficulty to control discussions taking place in social media was seen as a common worry by the companies. Despite of the fear so far no one of the companies interviewed have faced any major troubles caused by improper writings on social media forums. Älvsbytało described the business risks linked to social media as follows: *"There is always a risk with social media that you get negative feedback. Negative feedback spreads quite easily and gets attention as the channel works in both ways and is open for all people. However, it also provides means to answer to these claims immediately, and it offers a possibility to remove comments that might be offensive to some groups or inappropriate in some other way. Regardless of the possibility the company does not usually delete comments. This would be done only if there is some material that could be considered offensive or otherwise"*

outrageous. If something like this would happen, we would look at all the options and consider the outcome of a comment removal prior to continuing with the removal process”.

Honka’s Marketing Manager commented: *“It is difficult to control the discussion in social media... everything is not in our own hands anymore as back in the days. What comes to negative aspects we have some experience”* Similarly, UPM’s spokesperson said: *“We have not faced any major crisis that would have caused troubles in the social media arena but we have experienced some smaller cases both positive and negative. On the other hand, when talking about large corporations, there is always some buzz around them and companies just have to accept the fact social media lives its own life”*. However UPM’s representatives admitted that it is a challenge and in a possible crisis situation they would need more resources in order to be able to respond.

According to K-Rauta’s Marketing Manager by this day there have not been any major crises that would have caused troublesome writings on the social media forums. He told: *“Companies always get some feedback from their customers and from other stakeholders but in general people understand that shopping in hardware stores does not always go so smoothly. However if some kind of crisis would occur we would be able respond rather quickly because our Facebook site is frequently checked by the agency”*.

Of the companies interviewed Stora Enso was the only one who saw the information security as one of the biggest risks in social media. Company’s IT department has been working hard in order to keep abreast with the development and to be able to respond to the challenges. According to Stora Enso’s spokesperson in a big company like Stora Enso one has to be at least one step ahead of the big mass.

5.2.5 Theme 4: R&D and Customer Feedback

A typical feature concerning social media forums is that they allow fast two-way communication between large numbers of forum members. In the front end of company's innovation process this feature could be a valuable tool during the development phase for collecting customer driven ideas or feedback e.g. for new product concepts. However the interviews indicated that companies currently utilize social media platforms in the front end of the innovation processes or as feedback collecting channel in very limited amounts. Most of the companies interviewed reported, that they have not used social media in collecting new product development ideas at all. The replays of company spokesmen were rather uniform:

- *“So far K-Rauta has not been utilizing social media in collecting new ideas from its customers”*
- *“Bauhaus do not consider social media as the best possible channel for receiving feedback. Instead of social media they favor other channels and ways such as e-mail, traditional web-pages or face-to-face communication”*
- *“So far UPM has not yet utilized social media in our new product development processes”*
- *“What comes to collecting ideas for the new product development purposes, crowdsourcing has not yet been utilized at Stora Enso”*
- *“At the moment Honka do not have a structured system for collecting feedback. However we have already received some valuable ideas when e.g. our Facebook followers have commented the photos that we have posted”*
- *“Älvsbyta has thought about the various possibilities that Facebook has to offer, but so far we have not used Facebook in collecting feedback or development ideas from the end users or customers. Until now, the user driven development ideas have been related only to the Facebook content”*

However there were some future visions regarding the use of social media as an idea source or tool in the innovation processes. According to Stora Enso's representative they will most likely do some openings in the near future. In general Stora Enso's aim is to change their thinking regarding R&D efforts into more market driven direction. At the same time they are eager to "get rid of" the more traditional sawing products. The new CLT board is one of the most notable examples of this direction.

According to Honka's Marketing Manager they have some plans for the future concerning the use of social media as a source for new ideas. *"Honka recognizes the potential of crowdsourcing and we are more than happy to receive feedback through social media platforms"*. Similarly, UPM's spokesman implied that they recognized the potential of social media in collecting feedback and new ideas. They are pleased to receive feedback from people also via social media. Respectively, K-Rauta's marketing manager stated: *"In the future K-Rauta definitely wants to develop our thinking towards more customer-oriented approach. Actually, we have already been planning means of collecting customer feedback from Facebook followers on social media issues"*. At K-Rauta they are going to do a research whose purpose is e.g. to find out what kind of people follow them on Facebook and what they want from K-Rauta's Facebook page. If the result indicate that most of the followers have liked their page because of competitions/prizes it is possible that they have not succeed in collecting true fans and they have to rethink their strategy and what they are going to offer people via Facebook. K-Rauta's Marketing Manager said that *"our primary concern is to serve those people on Facebook who are truly interested in K-Rauta"*.

If not in new product development, companies have used social media for some other business development purposes. For example Stora Enso utilized growdsourcing for the first time when they were planning their forthcoming global responsibility strategy. They invited around 60 stakeholders from all over the world into a discussion concerning current issues around sustainability. The discussion took place in an online platform. Stora Enso wanted to hear stakeholder about their concerns and find out what they should do concerning the sustainability area. The results from the conversation come to the management desk during 2013. Respectively, during the HWDC 2012 project UPM carried out some polls via

Facebook to in order to hear people's opinions. Otherwise UPM's business units have been using other means to collect ideas and feedback from their customers.

The interviews revealed that there are some things that hinder the use of social media what comes to collecting ideas. According to K-Rauta's Marketing Director, one reason for that social media is not actively used by them as an idea source is so called push-marketing method. *"In general large and conservative corporations, such as Kesko still slightly is, have been used to offer customers products and services based on supplier desires. It requires new models and way of thinking to ask from the customers what they really want and need".* Whereas UPM's spokesman said: *"For the moment Facebook and other social media platforms are seen mainly as a channel for spreading information about current issues and sharing different kind of content like photos"*.

6. Discussion, Conclusion and Further Research

6.1 Discussion and Conclusions

The purpose of the study was to find out: 1) how wood processing companies, log house builders and hardware stores currently exploit social media in their commercial efforts such as marketing, and 2) do wood processing companies, log house builders and hardware stores use social media in their new product development (NPD) process especially in collecting end user driven ideas in the discovery or post-launch review stage of the NPD process? Besides trying to find answers to the research questions, my aim was also to outline a model for collecting feedback and product development ideas from end users via social media. Further based on the theoretical background, framework of the study, desk research and company interviews the aim was to provide some ideas for more efficient social media usage in companies' marketing and sales activities. The purpose of this chapter (6.1) is to discuss shortly about the results of the study especially reflecting them against the research questions. The model and ideas are presented in the chapter 6.2.

Based on the desk research most of the 17 companies within construction, retail and manufacturing industries can be found from at least one of the three social media platforms investigated (Facebook, Twitter and YouTube). Moreover all of those six companies that were interviewed had presence either on one or several social media channel(s). For example UPM utilizes five different platforms: Facebook, YouTube, Twitter, LinkedIn and a blog. In my opinion to this clearly indicates that most of the companies believe that social media is here to stay and they have realized despite of slight hesitation that it is better to jump in than stay out.

The interviews revealed, interestingly, that none of the manufacturing, construction or retail companies have a specific social media strategy but social media related issues are rather part of the larger marketing and communication “package”, and some of the companies were

obviously trying to find their way. One explanation for this may be that as a phenomenon social media is still rather new and companies have found their way into social media quite recently. For example of the six companies that were interviewed the first ones joined social media during 2009 and the last one in 2012. Also the fact that trends and expectations regarding social media develop and change quickly makes it more difficult to make more specific strategies.

What comes to how companies are exploiting social media it seems that the practices e.g. concerning the daily maintenance tasks and focus areas vary with company or business, though some common features were found as well. For example, of the six companies that were interviewed K-Rauta and Älvsbyta have outsourced the maintenance of their social media accounts to a communication agency whereas the others (UPM, Stora Enso, Bauhaus and Honka) take care of their sites by themselves. Further based on both the desk research and interviews it can be said that retailers' focus was on marketing and sales, manufacturers' on communication & PR, and log house constructors' on marketing & brand building. Generally speaking these findings are to some extent in a line with the data presented in the figure 1 (chapter 1.3) even though the data is from the year 2011. According to the figure 1, around 60 percent of Finnish companies have used social media in their marketing efforts, more than 50 percent in brand building, around 46 percent in external communication and less than 25 percent for sales purposes. With respect to marketing and the topic of the thesis it is also good to mention that wood products were not especially highlighted in social media by retailers and manufacturing companies whereas the content produced by log house constructors was more or less about wooden houses.

Based on the interviews it seems that companies have had difficulties in estimating the financial or numerical benefits of social media usage. For example K-Rauta's representative told that so far it has been very difficult to measure the direct commercial benefits of social media usage because they have not had pure product offerings on their social media platforms or offerings that would have been marketed only for Facebook fans. Then on the other hand some companies highlighted other benefits than financial. For example Stora Enso and Honka mentioned as a major benefit that social media enables two-way information exchange

between the company and consumers. However based on the content analysis most of the sites were not very interactive. All in all the answers concerning the benefits or expectations were rather vague and the goals of the companies remained somewhat unclear.

With respect to using social media in collecting end user driven product development ideas or customer feedback the “catch” from the interviews and desk research was rather lame. From the desk research companies got the poorest scores from R&D function. Generally I did not notice that social media would have been actively and organized used by the companies for collecting new ideas from customers, though there were some exceptions. For example on Honka’s Facebook site it was not uncommon that people commented the pictures of model houses that Honka posted on the wall. What comes to the interviews the main finding was almost similar. In general companies do recognize the potential of social media in collecting ideas from end users and they have some plans for the future but so far they have not utilized it. However companies have used social media for some other business development purposes. For example Stora Enso utilized crowdsourcing when they were planning their forthcoming global responsibility strategy.

6.2 Model & Ideas and Further Research

Perhaps the most important message that rose up from the literature survey concerning social media is that the content is the king. Social media is not about not about quantity but quality. The meaning of content will continue crowing in the future as the supply of the content available increases all the time.

Based on the data presented in the figure 3 (chapter 3.4.2) it seems that most of the marketers have different understanding about what people want e.g. from company’s Facebook page and why people follow their company or brand online. In the survey from which the figure 3 was made Facebook users were asked why they like company or brand pages on Facebook and

vice versa marketer's were asked what they think the likes mean. Nearly 60 percent of marketers believed that Facebook users like their brand because of the content they offer on their Facebook page. However, only 30 percent of Facebook users think the same way. The same survey revealed also that 49 percent of Facebook users like and follow brands on Facebook because they consider themselves as loyal customers but only 24 percent of marketers recognize this. What comes to these figures there are two essential questions. How to fill the gap regarding the obvious lack of high quality content, and then on the other hand how to harness the loyalty of fans for greater good e.g. in the R&D process?

With respect to the first question the key words and terms in my opinion to are: courage, innovativeness, learning from others and stories. Many companies such as Red Bull and Burger King have already been successful in using social media for the good of their business. What can be learned from them? All of them were innovate and they had courage to think outside the box. Normally on Facebook people add new friends for their network but Burger King turned that upside down. In their "Whopper Sacrifice" campaign (chapter 3.3.3) they encouraged people to delete friends from their Facebook network in exchange for free burgers. Red Bull sent a man to stratosphere and millions of people could witness via YouTube their man breaking freefall jump records - what a story. Red Bull's example might be out of scale for most of the companies because of the lack of marketing resources. However, I believe that being innovate does not require having loads of money but using the resources available as efficiently as possible. How wood processing companies, log house constructors and hardware stores could improve their social media content and performance regarding marketing and sales? My advice for them is simple: more stories and videos.

Then what comes to the latter question about harnessing the loyalty of fans for R&D purposes figure 7 (below) "Innovation Process and Social Media – Potential Points for Social Media's Contribution to Innovation Process" gives some ideas where and how social media could be used. In the model the whole new product development process from defining company mission and values to the point when the product offering reaches customers has been described. The actual new product development phase has been divided into two parts: idea management and new product development. When thinking of the Stage-Gate® model which

was presented in the chapter 3.5.1, the idea management and new product development phases can be regarded as front end activities. The feedback flow from the customer back to the company describes the post-launch review phase of the Stage-Gate® model.

In practice the front end activities include for example tracking social media sites with Radian6, analyzing the tone of the postings made from the company, collecting new ideas from end users via Facebook, and evaluating & rating ideas together with end users. With respect to collecting and evaluating ideas the Starbucks case presented in the chapter 1.4 is a great example. Through “My Starbucks Idea” platform customers submit new ideas. These ideas are subsequently voted on by other users, with the winners being considered for implementation by the company. Some kind of reward system is crucial for getting the fans mobilized. The bounties could be material but different kind of honors could work as well as the Starbucks example shows.

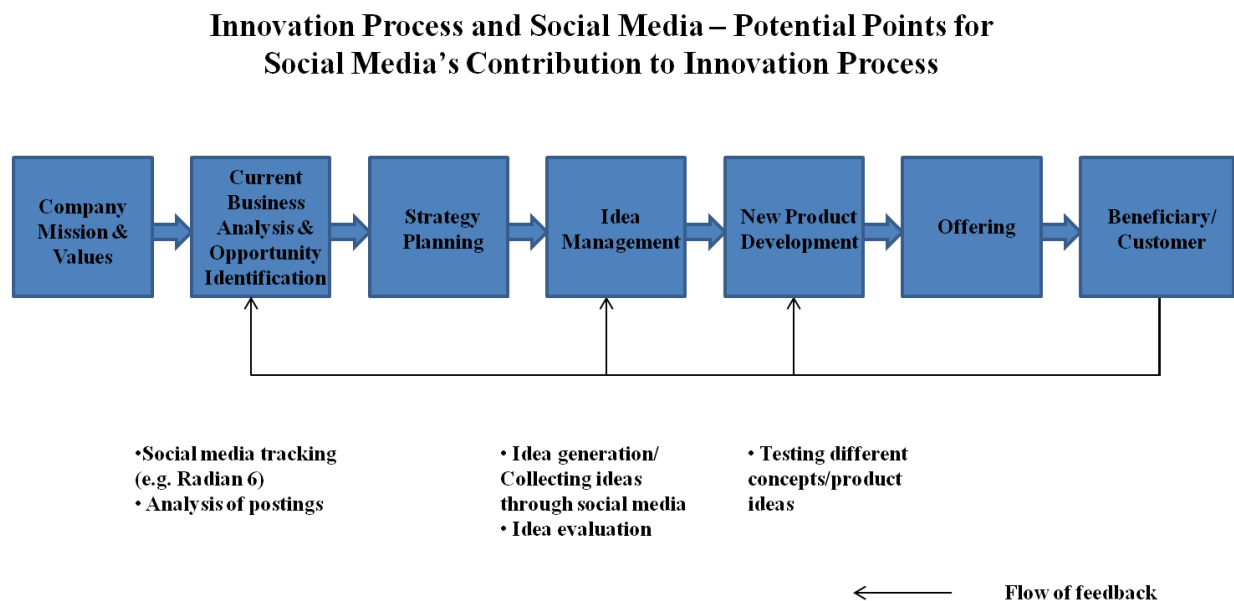


Figure 7. Innovation Process and Social Media – Potential Points for Social Media’s Contribution to Innovation Process

Based on the results of the study the topic of this thesis was clearly slightly ahead of its time especially what comes to utilizing social media in collecting product development ideas from the end users. Concerning the future it would be interesting to see how the situation has changed e.g. in five years or even in shorter time because the field develops fast. It would also be interesting to benchmark social media usage in FMCG industries' innovation processes because there the product life cycle is much shorter and new product launches are more frequent.

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Appendix

Table 1 Interview questions

Company Interview - Questions by Themes

Theme 1: Social Media Presence

- 1) How long the company has been active in social media platforms?
 - Was there a specific spark behind the decision to take part in social media?
- 2) What platforms or forums are used and how they were chosen?

Theme 2: Strategy and Implementation

- 3) Does your company have a specific social media strategy/policy or guidelines?
 - Could you briefly describe the content?
 - What is the goal of the strategy/policy/guidelines (marketing driven or company image driven perspective?)
 - Does the company have some ethical principles e.g. regarding astroturfing?
- 4) Who is or has been responsible for planning the strategy/policy/guidelines?
 - On what organizational level the strategy/policy/guidelines has/have been decided?
 - How the top management is involved in social media affairs, e.g. do they get reports?
- 5) Who is responsible for the implementation of the strategy/policy/guidelines?
 - Is it a full time duty or e.g. a part of other tasks of some employee in the communication department?
 - How much and what kind of resources are used?
- 6) How the strategy/policy/guidelines has/have been communicated in the company?
- 7) Are employees encouraged to participate in social media discussions?

Theme 3: Benefits, Expectations and Risks

- 8) What kind of expectations on benefits do you have for the company
 - A) generally, B) in marketing of wood-based construction materials/log houses to consumers?
- 9) What kind of benefits you have gained so far e.g. compared to traditional methods?
- 10) Do you see social media as a supplementary or compensatory tool?
- 11) Do you see any risks in social media?

Theme 4: R&D and Customer Feedback

- 12) Have you used or considered using social media in collecting of end user driven development ideas?
 - What kind of experiences do you have?
- 13) Have you used or considered using social media in collecting of customer feedback?
 - What kind of experiences do you have?